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POSTAL REGULATORY COMMISSION

In the Matter of:)
)
 RETAIL ACCESS OPTIMIZATION) Docket No. N2011-1
 INITIATIVE, 2011)

Room 200
Postal Regulatory Commission
901 New York Avenue, N.W.
Washington, D.C.

Volume 5
Friday, October 28, 2011

The above-entitled matter came on for hearing, pursuant to notice, at 9:05 a.m.

BEFORE:

HON. RUTH Y. GOLDWAY, CHAIRMAN
HON. MARK ACTON, VICE-CHAIRMAN
HON. ROBERT TAUB, COMMISSIONER
HON. Nanci LANGLEY, COMMISSIONER

APPEARANCES:

On behalf of the United States Postal Service:

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C O N T E N T S

WITNESSES APPEARING:

DAVID R. RUIZ
JAMES BOLDT

<u>WITNESSES:</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>	<u>VOIR DIRE</u>
David R. Ruiz	1734	--	XXXX	--	--
By Mr. Levi	--	1735	--	--	--
By Ms. Ferguson	--	1764	--	--	--
	--	1790	--	--	--
By Mr. Brinkmann	--	1792	--	--	--
James Boldt					
By Mr. Levi	--	1795	--	--	--
By Mr. Brinkmann	--	1824	--	--	--
By Mr. Brinkmann	--	1849	--	--	--
By Ms. Ferguson	--	1851	--	--	--

E X H I B I T S

<u>EXHIBITS AND/OR TESTIMONY</u>	<u>IDENTIFIED</u>	<u>RECEIVED</u>
Corrected surrebuttal testimony of David R. Ruiz on behalf of the United States Postal Service, USPS-SRT-1	1734	1735
Corrected surrebuttal testimony of James Boldt on behalf of the United States Postal Service, USPS-SRT-2	1795	1795

1 about information that the Commission had received
2 through the press and through witnesses about the refusal
3 of some of the managers of community meetings to allow
4 the press in to the meetings or to allow recordings of
5 those meetings or photographs.

6 I'm pleased to report that the response
7 indicates, and I'll read from it, "Recent discussion of
8 the role the press and audio and video recordation have
9 in discontinuance community meetings has led to the
10 adoption of an open door policy allowing attendees to
11 conduct nondisruptive photography and audio-visual
12 recording at community discontinuance meetings.

13 "However, the policy does not change the need
14 for local personnel to maintain order and to prevent
15 disruption of meetings. Any deviation from the open door
16 policy should be approved by the Area Vice President, in
17 consultation with the Vice President, Delivery and Post
18 Office Operations."

19 I believe that this recognition of the
20 public's right to know and for an open and transparent
21 process in community meetings speaks to the value of the
22 administrative process that we are in now where the
23 Postal Service is seeking an advisory opinion. These
24 questions that we ask and the issues that we bring up in
25 a public forum often lead to resolution of concerns and

1 greater transparency that we should all be proud of.

2 Even if on occasion these meetings seem
3 tedious and the testimony seems long, I think an action
4 such as the one taken by the Postal Service in response
5 to questions I had and questions raised by the press is
6 commendable, and we should all be pleased with the
7 process that we're involved in.

8 So with that, I want to indicate that we will
9 receive the surrebuttal testimony and
10 cross-examination of two witnesses today. However, I
11 would like to give my colleagues an opportunity to make
12 comments as well, and I will begin with Vice Chairman
13 Acton.

14 VICE CHAIRMAN ACTON: Thank you, Madam
15 Chairman. I have nothing to add. I would welcome our
16 witness and let Mr. Ruiz know we look forward to hearing
17 from him, and I'll have a couple of questions for you
18 from technical staff following your testimony. Thank
19 you.

20 CHAIRMAN GOLDWAY: And Commissioner Langley?

21 COMMISSIONER LANGLEY: Thank you. I too have
22 nothing to say at the moment, but I do welcome Mr. Ruiz
23 and Mr. Boldt as well. Thank you.

24 CHAIRMAN GOLDWAY: Commissioner Taub?

25 COMMISSIONER TAUB: And likewise, Chairman,

1 nothing to add. I associate myself with your remarks
2 both in remembering our good friend, Tim May, and also
3 your comments on the positive and productive aspects of
4 this process. Thank you.

5 CHAIRMAN GOLDWAY: Great. Thank you all. I
6 want to alert those in the audience today that this
7 hearing is being web broadcast. In an effort to reduce
8 potential confusion, I ask that counsel wait to be
9 recognized before speaking and to please identify
10 yourself when commenting. After you are recognized,
11 please speak clearly so that our ceiling microphones may
12 pick up your remarks.

13 I note that I issued Presiding Officer's
14 Rulings 19 and 22 to include supplemental materials in
15 the record. Participants wishing to have any additional
16 materials added to the evidentiary record shall present a
17 motion to that effect by October 31, 2011. Objections
18 may be filed by November 2, 2011.

19 These additional designated materials will be
20 placed in a separate volume of the transcript. Parties
21 may cite to these materials in briefs, even if the
22 separate transcript volume has not yet been published.
23 Are there any questions?

24 (No response.)

25 CHAIRMAN GOLDWAY: Do any participants have

1 procedural matters to discuss before we begin?

2 (No response.)

3 CHAIRMAN GOLDWAY: I'd simply like to note
4 that I have a luncheon speech to give and, depending on
5 how long this meeting goes, if we need to break for lunch
6 I plan to do it from between 12:30 to 2 p.m.

7 So briefly, our process for surrebuttal
8 testimony is as follows: We will call each witness
9 and receive their testimony. After that we will allow
10 oral cross-examination. After oral cross-examination, an
11 opportunity will be given to present redirect testimony.

12 Two witnesses are scheduled to appear today.
13 They are Witnesses Ruiz and Boldt.

14 Mr. Hollies of the USPS, will you identify
15 your first witness so that I can swear him in?

16 MR. HOLLIES: Good morning, Madam Chairman.
17 The Postal Service calls David R. Ruiz to the stand.

18 CHAIRMAN GOLDWAY: Mr. Ruiz, will you stand?
19 Whereupon,

20 DAVID R. RUIZ

21 having been duly sworn, was called as a
22 witness and was examined and testified as follows:

23 CHAIRMAN GOLDWAY: Thank you. You can be
24 seated.

25 Counsel, you may proceed.

1 (The document referred to was
2 marked for identification as
3 Exhibit No. USPS-SRT-1.)

4 DIRECT EXAMINATION

5 BY MR. HOLLIES:

6 Q Mr. Ruiz, in front of you is a document
7 identified on its cover as Surrebuttal Testimony of David
8 R. Ruiz on behalf of the United States Postal Service
9 with an alphanumeric identifier USPS-SRT-1. Do you
10 recognize that?

11 A Yes.

12 Q Was that prepared by you or under your
13 supervision?

14 A Yes, it was.

15 Q And if you were to testify orally today,
16 would your testimony be the same?

17 A Correct.

18 Q Do you have any corrections or changes to
19 make to that document?

20 A No, I don't.

21 MR. HOLLIES: With that, Madam Chairman, the
22 Postal Service moves that the testimony of David Ruiz be
23 moved into the evidentiary record.

24 CHAIRMAN GOLDWAY: Is there any objection?

25 (No response.)

1 CHAIRMAN GOLDWAY: Hearing none, I direct
2 counsel to provide the reporter with two copies of the
3 corrected surrebuttal testimony of David R. Ruiz.

4 That testimony is received into evidence.
5 However, consistent with Commission practice, it will not
6 be transcribed.

7 (The document referred to,
8 previously identified as
9 Exhibit No. USPS-SRT-1, was
10 received in evidence.)

11 CHAIRMAN GOLDWAY: Now, this brings us to
12 oral cross-examination. Two participants have requested
13 oral cross-examination, the National Association of
14 Postmasters of the United States, Mr. Levi, and the
15 Public Representative, Ms. Ferguson.

16 Are there any other participants that wish to
17 cross-examine Mr. Ruiz?

18 (No response.)

19 CHAIRMAN GOLDWAY: Then, Mr. Levi, will you
20 please come to the counsel table and begin?

21 MR. LEVI: Thank you, Madam Chairman.

22 CROSS-EXAMINATION

23 BY MR. LEVI:

24 Q Good morning, Mr. Ruiz.

25 A Good morning, Mr. Levi.

1 Q It's good to see you again.

2 A You too.

3 Q I am the Director of Government Relations of
4 the National Association of Postmasters. I'm not an
5 attorney, so my questions will be sort of more concise
6 and somewhat shorter than some of the other questions
7 that may be posed during these proceedings; at least I
8 hope so.

9 As a matter of background, I can recall that
10 as a youngster my dad worked as a window clerk at a
11 Greeley Square post office in Manhattan and that he
12 performed a lot of customer services and transactions,
13 and I vaguely recall when I was growing up how they were
14 recorded or not recorded.

15 I don't know if there was something known as
16 a Customer Service Variance at that point, but I do know
17 that that transactions did occur, and I watched them and
18 I do understand how we record those transactions and
19 measure those transactions have changed over the past
20 some 25 years, 30 years, since he retired.

21 Nevertheless, the customer service aspect of
22 the Postal Service, which has been heralded ever since
23 its founding, is basically a tribute to the organization,
24 and we surely representing the postmasters would like to
25 continue that aspect of customer service, so within that

1 context I'd like to proceed with my questions.

2 I would like to preface my questions by
3 indicating the Postal Service does need an accurate,
4 reliable and up-to-date means of measuring post office
5 activity, particularly within the small post office
6 environment, and that I believe is what SOV seeks to
7 measure. These measurements are crucial since 50 percent
8 of the Retail Access Optimization Initiative selection
9 process is based on that measurement. You have to comply
10 with two different criteria, one of which is to have two
11 earned work hours or less, as I understand.

12 As I am sure you can appreciate the
13 implication --

14 MR. HOLLIES: Madam Chairman?

15 MR. LEVI: I'm sorry?

16 MR. HOLLIES: We wonder if there's going to
17 be a question --

18 MR. LEVI: Yes.

19 MR. HOLLIES: -- or are we just going to get
20 testimony from this nonattorney?

21 MR. LEVI: I'll move on to the questions.

22 Thank you.

23 BY MR. LEVI:

24 Q As I understand it, you're responsible for
25 the development of the Small Office Variance tool as it

1 exists today. Is that accurate?

2 A I'm one of the three people responsible.

3 Q Who would the other three people be?

4 A Arthur Hubert and Warren Dennis.

5 Q Okay. And their positions within the agency?

6 A They both work in the same department I do,
7 Field Operation Support. One is the manager, and one is
8 another operations specialist like I am.

9 Q Okay. I wonder. The creation of the tools
10 that encompass SOV, its development and its
11 implementation are the responsibility of this office, the
12 three of you, correct?

13 A Correct.

14 Q How closely do the three of you actually
15 monitor its implementation in the field?

16 A Do you mean the use of it?

17 Q The use of it in the field. That it's used
18 correctly.

19 A As I proposed in my testimony, we provided
20 training to the field on the use of the program. I'm
21 going to refer to that.

22 Q Who provides the training, if I can ask?

23 A It's either done by us, or it can be done by
24 a functional coordinator for the areas or districts, or
25 postmasters can provide training. Anybody can provide

1 training once they've received training in it or have an
2 understanding of it.

3 Q And one of those designated trainers was Mr.
4 Curt Artery, who basically submitted testimony on behalf
5 of NAPUS? Is that right?

6 A I'm not aware of that. He may be. I don't
7 know.

8 Q Okay. If you can please clarify something
9 for me? There are two ways within a small office
10 environment -- there are a number of ways -- in which
11 transactions are measured or activity is measured. One
12 is POS, point of service, and the other is nonpoint of
13 service, which would include eMOVES, correct? Would that
14 be right?

15 A Yes.

16 Q Of the remaining post offices, small post
17 offices, that are on the list, do you have any idea how
18 many of them use point of service measurement?

19 A I'm not involved with that, with the ROI or
20 whatever, so I have no knowledge of that.

21 Q Okay. With regard to POS, point of service,
22 is there any criteria that the Postal Service uses to
23 place point of service in a particular post office or not
24 place it in a particular post office?

25 A I'm not aware of any requirements.

1 Q How would the decision be made whether or not
2 a point of service operation exists in a particular post
3 office or not?

4 A If it has a POS terminal, then it would be
5 POS office.

6 Q There is no criteria by which a revenue
7 determination, like if a post office --

8 A I'm not aware of any. If there is, I'm not
9 aware of that.

10 Q In a nonPOS environment, how is the actual
11 workload, particularly nontransactional workload,
12 measured?

13 A I'm referring back to my document.

14 Q Yes.

15 A Just give me a second.

16 Q That's fine.

17 (Pause.)

18 A Can you ask the question again, please?

19 Q In a nonpoint of service environment, how
20 would nontransactional work activity be measured?

21 A It would be part of the standardized target
22 productivity based on the walk-in revenue for that
23 office.

24 Q So let me understand. Correct me if I'm
25 incorrect. If all these offices have a revenue of

1 \$27,500 or less, each one of those offices would have the
2 same assumptions made as to the number of nonfinancial
3 transactions that occur in that office?

4 A Based on the target productivities. Correct.

5 Q And that would be based on the target
6 productivities that occur in a POS environment?

7 A Correct.

8 Q Okay. Does the Postal Service measure all
9 post office activities in a nonPOS environment?

10 A I'm not familiar with what activities you're
11 referring to.

12 Q Nonfinancial.

13 A As far as I know, there's no measurement for
14 nonrevenue transactions.

15 Q In a POS environment, as I understand it,
16 there is a way in which to measure nonfinancial
17 transactions.

18 A Yes.

19 Q And that would be at the terminal if someone
20 comes in?

21 In a nonpoint of service environment -- if a
22 customer comes in and asks the postal employee let's say
23 to locate a countable mail or a package for receipt, in a
24 POS environment that communication, that activity, would
25 be measured by a keypunch on the POS terminal, correct?

1 A Yes.

2 Q In a nonPOS environment, that activity would
3 not be measured? The actual activity would not be
4 measured. It would be based on the standard measurement.
5 Is that correct?

6 A It would be based off the measurement done in
7 POS as a comparison based on the walk-in revenue.

8 Q Based on walk-in revenue. If there is a
9 deviation from that assumption, is there a way for a
10 postal employee in one of these nonPOS environments to
11 update that information to record that activity?

12 A The activity now is based off the target
13 productivities based on walk-in revenue?

14 Q Yes.

15 A I don't think there's a way of -- do you mean
16 if they're over or under the number?

17 Q Correct.

18 A I don't think there's a way currently, no.

19 Q So hypothetically if in a small office
20 environment, a small office that's being studied, if a
21 home business were to be established there, an eBay based
22 business for which a postal customer may purchase postage
23 in a place other than that specific post office, yet the
24 parcels come into that post office, either are sent from
25 or received at that post office, there would be no way of

1 measuring that activity?

2 A They record their letters, flats and parcel
3 volume at that location.

4 Q It would be a volume. That would be through
5 eFlash?

6 A Yes.

7 CHAIRMAN GOLDWAY: And is there a work hour
8 component of eFlash?

9 THE WITNESS: Yes. Yes. eFlash tracks work
10 hours and volumes.

11 BY MR. LEVI:

12 Q Okay. I would like to focus a moment on page
13 4 of your testimony. It's about the achievement numbers,
14 the 97, 96 percent achievement numbers.

15 Specifically you state that achievement is
16 the ratio between so-called earned hours, which is the
17 expectation, the average hours, the earned hours, which
18 is not necessarily the actual hours, correct?

19 A Correct.

20 Q And that is the numerator, and the
21 denominator is the total actual hours?

22 A Yes.

23 Q If you're not measuring the total actual
24 hours it never could be 100 percent, correct?

25 A We do have offices in the program that are

1 over 100 percent achieved.

2 Q In a nonPOS environment?

3 A I would say yes.

4 Q Okay. How is that measured, the actual hours
5 measured? You had indicated that the nonactual hours are
6 not measured in a nonPOS environment, so how would you --

7 A I'm confused by your non --

8 Q Well, I'm concerned about the ratio. The
9 numerator is earned hours. The denominator is actual
10 hours. The actual hours are based on a POS environment,
11 correct?

12 A Actual hours are based on the actual hours
13 used by that office.

14 Q Let me ask you this. How would I measure the
15 actual hours? Actual hours means the hours it's open?

16 A No. Hours it's actually used. In other
17 words, clock ring hours. If they either use a badge
18 meter or clock in on a time clock --

19 Q Right.

20 A -- the hours paid in that office, LDC 80 and
21 47 hours.

22 Q Okay. So that would be the hours the office
23 is actually -- there's someone in the office that would
24 have filed some type of documentation to the Postal
25 Service saying I was in this office between

1 9 a.m. and whenever?

2 A Yes.

3 Q And that's the actual hours, and the earned
4 hours in a nonPOS office is what I estimate that activity
5 ought to take?

6 A I guess the --

7 Q The earned hours are not the actual hours?

8 A Correct. Earned hours are what they earn in
9 that office based on the standardized target
10 productivities.

11 Q On the standardized target, which may not
12 take into account nontransactional --

13 A Well, it does overall nationally because we
14 basically base those ones for nonPOS sites based on the
15 POS data. We do the calcs for the nonIRT, nonPOS sites.

16 Q Now, there are POS sites and nonPOS sites?

17 A Correct.

18 Q I'm going to come back to one of the
19 questions I started with then. How does the Postal
20 Service decide what site is POS and what site is nonPOS?

21 A If they have the point of sale terminal it's
22 a POS site. If they don't then it's a manual or an IRT
23 site.

24 Q Now, is it correct that IRTs are being phased
25 out?

1 A I'm not aware of that. I'm not familiar with
2 that.

3 Q Okay.

4 A I know that we're replacing -- more sites are
5 getting POS units. I know that much.

6 Q I'm sorry?

7 A More sites are getting POS units.

8 Q The sites that currently do not have POS are
9 getting POS?

10 A Some are.

11 Q How is that being determined?

12 A I don't know how it's being determined. I
13 just notice it in the program because we have to get our
14 program -- because if an office does change something, we
15 need to update our data to make sure our data is the most
16 accurate and current.

17 So basically if an office does change from an
18 IRT site to a POS site we record it and basically turn
19 that bid on so the program will start pulling in that POS
20 data for that office, as well as pulling the previous IRT
21 down.

22 Q Do you know what the growth rate is? Is
23 every IRT being replaced by a POS terminal?

24 A That I don't know. I just know what I see in
25 my data.

1 MR. LEVI: Okay.

2 CHAIRMAN GOLDWAY: Who would make that
3 decision?

4 THE WITNESS: Delivery Programs, I guess.

5 BY MR. LEVI:

6 Q Do you know how many post offices, small post
7 offices, are nonPOS?

8 A I don't know, but I would have that in my
9 data.

10 Q Is that something that you could share with
11 the Commission?

12 A Yes. I would just need time to pull that
13 down.

14 MR. LEVI: Okay.

15 CHAIRMAN GOLDWAY: Would it be possible to
16 get that information, counsel?

17 MR. HOLLIES: I believe it's already a matter
18 of record, but I wanted to check that. If you'll give me
19 a second?

20 CHAIRMAN GOLDWAY: Okay.

21 MR. LEVI: Okay. Thank you.

22 BY MR. LEVI:

23 Q I'd like to focus on the maintenance,
24 updating and integrating the eMOVE work hours into the
25 SOV. And eMOVE, as I understand, is the mechanism you

1 use by which nonPOS units capture certain workload, the
2 eMOVE form. Is that accurate?

3 A I'm not familiar with that. I've heard
4 something that I think SPORT is also underway -- eMOVE,
5 SPORT, IRT -- but that all flows into walk-in revenue.

6 Q But not all small post offices have either
7 IRTs or POS. Is that correct?

8 A Correct.

9 Q And those that do not have IRTs and POS
10 terminals will rely primarily on eMOVES with the
11 exception of the volume and revenue mechanism, the
12 revenue, correct?

13 A I'm not familiar with exactly how it comes
14 in, but it comes as walk-in revenue to us. All nonPOS
15 sites come in as walk-in revenue.

16 Q Okay. On page 6, line 8, you speak of SOV
17 updating year-to-date data.

18 A What page are you on? I'm sorry.

19 Q Yes.

20 A Page 6?

21 Q Page 6, line 8. Is all data updated or just
22 portions of the data updated?

23 A From eFlash we update back to the beginning
24 of the year. Anything that's been changed in eFlash, any
25 hours or work hours that have changed in eFlash, we

1 update back to the beginning of the fiscal year. The
2 rest of the ones, if they have any additional updates or
3 corrections they send those to us also.

4 Q Okay. For items that are not standardized,
5 standardized updating, but for individual post office
6 updating, is there any mechanism for that?

7 A eFlash is by finance number, which is each
8 individual post office.

9 Q But that measures just volume and revenue?

10 A That shows work hours and volume.

11 Q When you say work hours, the work hours is
12 based on revenue, correct?

13 A No. Work hours --

14 Q Or that was the actual hours that it's open,
15 but as far as the workload in that office --

16 A Workload is what was reported by the
17 postmaster into eFlash for letters, flats, parcels, box
18 letters, box flats, box parcels, DPS, all the parts of
19 volume for an office.

20 MR. LEVI: With permission, can I share with
21 the witness? It was in response to an interrogatory we
22 submitted, USPS/NAPUS-T-2-3. I'll show you what it is.
23 I just want to show it to the witness.

24 (Pause.)

25 MR. LEVI: Thank you.

1 CHAIRMAN GOLDWAY: If counsel agrees then
2 we're fine.

3 MR. HOLLIES: If Mr. Levi would identify the
4 alphanumeric identifier of the interrogatory response to
5 which he is referring then I'm okay with him showing that
6 entire response and its attachments, which is where he's
7 headed, to the witness and ask the witness if he's
8 familiar with that.

9 MR. LEVI: Okay. The identifier is
10 USPS/NAPUS-T-2-3.

11 And what I did here is this is just blown up.
12 This makes it easier for you to read. That's what this
13 is. It just makes it easier.

14 THE WITNESS: Okay.

15 MR. LEVI: Okay. Thank you.

16 CHAIRMAN GOLDWAY: So your questions, Mr.
17 Levi?

18 MR. LEVI: Yes.

19 BY MR. LEVI:

20 Q Mr. Ruiz, are you familiar with that type of
21 form?

22 A Yes. This is from the actual SOV program.

23 Q Yes. What I'm concerned about, what I'm
24 interested in, and this is based on eMOVES. This is an
25 eMOVES document.

1 On mail cancellation, premium forwarding and
2 validation of Form 12, which we'll get back to later,
3 there are zero values inserted.

4 A This is not an eMOVES document. This is an
5 actual page from the SOV program.

6 Q Right.

7 A You just said it was an --

8 Q Oh, I'm sorry.

9 A Anyway, I'm sorry. Your question?

10 Q Yes. The question is there is a value of
11 zero in canceled mail, zero in premium forwarding and
12 zero in validation of Form 12 on this form.

13 What I'm curious is does the average workload
14 -- these are nontransactional necessarily. I mean, is it
15 that post offices generally, this type of post office,
16 will get zero credit or zero values for all those items?

17 A I'm not familiar with this office, but on the
18 validate 1412s portion --

19 Q Yes.

20 A -- if the office wasn't a retail office it
21 wouldn't get the credit there. In other words, if this
22 office wasn't a retail office then this would not get a
23 credit for the 1412s because they wouldn't have retail
24 transactions, retail stuff.

25 Canceling mail, the same thing. If they

1 don't cancel mail they wouldn't have any value under
2 canceled mail.

3 Q If a post office did cancel mail and if a
4 post office was a retail unit and still had a zero there,
5 what would that mean?

6 A It would need to be edited or corrected in
7 the editor and changed to add. Basically I refer to that
8 on page 7/17, line 17.

9 Q Yes.

10 A Cancellation data can be recorded, but it
11 requires manual input to do so. So if they do have
12 cancellation data and we're notified or whatever, it can
13 be manually put in.

14 Q And how would the employee do that? They
15 would contact the district to do that, or how would they
16 do that?

17 A The coordinator.

18 Q It would be manually done?

19 A Yes.

20 Q And they are trained to do this, the
21 employees in that post office?

22 A The coordinators.

23 Q I'm sorry?

24 A The coordinators are trained to do the
25 inputs.

1 Q The coordinators at the district?

2 A Yes, the district. It could be area
3 coordinator, district coordinator. I don't know who
4 they'd set up. It could be an MPOO could have that
5 ability.

6 Q And the employee at that local post office
7 would notify the district that that correction needs to
8 be made?

9 A Correct.

10 Q And that's an editable field?

11 A Correct.

12 MR. LEVI: Okay.

13 CHAIRMAN GOLDWAY: But when does the employee
14 see the draft report?

15 THE WITNESS: The employee can go in any time
16 into the program and pull any office he wants to look at,
17 his own or anybody else's, and look at these same pages.

18 BY MR. LEVI:

19 Q And all post offices have the capability of
20 downloading that information?

21 A If they have a PC on the postal LAN and
22 access to the postal network, the Blue Page, they can go
23 to this information.

24 Q Do all small post offices have access to that
25 type of --

1 A I don't know.

2 Q So these are the smallest post offices. They
3 may not have broadband communications or internet access
4 in a lot of them maybe?

5 MR. HOLLIES: Objection. The question has
6 been asked and answered. The witness does not know this
7 area.

8 MR. LEVI: Okay.

9 MR. HOLLIES: Further questions will not
10 elucidate it any further.

11 CHAIRMAN GOLDWAY: Well, we could ask if we
12 know how many post offices have internet access. He
13 doesn't know it, but --

14 MR. HOLLIES: That's right. This witness
15 does not know it. That was the point of my objection.

16 CHAIRMAN GOLDWAY: Is it possible to get that
17 information?

18 MR. HOLLIES: Well, the Commission has
19 certainly asked for a lot of different pieces of
20 information. I don't know if that one has been asked or
21 not.

22 I think it is understood, I can certainly
23 share as my own knowledge, that not all offices have
24 internet access. We see that in the A series dockets
25 with some regularity. I couldn't tell you the numbers,

1 but the fact that they exist is I think established on
2 the record.

3 BY MR. LEVI:

4 Q So the ability to update that information is
5 contingent upon the individual post office having access
6 to the internet to basically upload that information.
7 Would that be accurate?

8 A No.

9 Q No. How else would I be able to?

10 A Well, I mean, basically you'd notify -- you
11 don't have to have access to notify your district
12 coordinator, and they can go ahead and update the
13 information without you having access.

14 It would be a phone call to the district
15 coordinator or the area coordinator saying hey, I'm not
16 getting credit for this. Please update this.

17 Q But my question is how would I know I'm not
18 getting credit for that if I don't have access to that
19 data?

20 A I don't know. I would assume or hope that
21 the person in charge of them is passing the data to them,
22 printing it out and mailing it to them or something.

23 Q But we don't know that that --

24 A No, I don't.

25 MR. LEVI: We do not know that that's

1 occurring. Okay.

2 CHAIRMAN GOLDWAY: I read recently that
3 11,000 locations have satellite broadband access, but I
4 don't know what that means or the remainder of the post
5 offices.

6 And since we're dealing with a lot of areas
7 that are rural where there's concern that the rest of the
8 rural community doesn't have access, I guess it would be
9 useful to know what portion of the post offices in the
10 RAOI initiative do have internet access and are in fact
11 able to connect with the USPS LAN site. Could we get
12 that information?

13 MR. HOLLIES: Madam Chairman, yes, we could
14 get that information. I guess I would ask that you work
15 with your staff and put that into a POIR so that you can
16 articulate precisely what you're looking for, and we will
17 do what we can to respond.

18 CHAIRMAN GOLDWAY: Fine.

19 BY MR. LEVI:

20 Q Okay. Mr. Ruiz, I noticed at the bottom of
21 the sheet there is a notation that only certain workload
22 elements are editable at the district level. Can you
23 explain why some elements are editable while others are
24 not editable?

25 A Any data element that we have a feed for

1 would not be editable because we're going to use the
2 actual data coming in from the postal system and not give
3 them access to edit it.

4 Q When you say actual information coming from
5 the postal system, are you talking about actual
6 transactions from that particular post office or coming
7 in through the number of transactions that would be
8 estimated based on the revenue?

9 A I'm talking about actual data. In other
10 words, the work hours, the volume, the walk-in revenue,
11 the routes and deliveries from AMS.

12 Basically anything that has a data source
13 that feeds us data from it, that would not be editable
14 because we actually have the data. Why would we let them
15 edit something that we have the data for?

16 Q Let's talk about for a moment the scanning,
17 scanning values. When was the last time the scanning
18 values of 25 to 75, which you reference in your
19 testimony, updated?

20 A I think it was last year, if I remember
21 correctly.

22 Q It was updated in 2010?

23 A In 2011.

24 Q It was updated in 2011?

25 A I think it was, if I remember correctly.

1 Q How was it updated? On what basis was it
2 updated? What method?

3 A We basically look at what we have nationally
4 and then determine based on -- in here it's based off
5 office level --

6 Q Right.

7 A -- what their actuals should be based on a
8 target value nationally or whatever, what we see.

9 Q So again, that's not based on actual scans
10 that occur in that particular post office? That's based
11 on a national average of scans for an office of that
12 size?

13 A It's based off a lot of times what we'll do
14 is we'll pull the data from like PTS, pull the actual
15 scan data to determine what the values should be.

16 Q So the 25 to 75. That's an increase from
17 2009?

18 A I don't think we actually had any values. I
19 think we had 25 in for every single office in 2009, if I
20 remember correctly.

21 Q Can you repeat that, please?

22 A I don't remember correctly what we had for
23 2009. I'd have to go research the data and see what we
24 had. I don't remember exactly what we had in 2009.

25 Q But you would assume it was less than 25

1 scans?

2 A I don't know what it was, to be honest.

3 Q But you'd be able to --

4 A Yes.

5 Q Okay. In 2009. How many scans are assumed
6 per piece of mail when you come to that 25?

7 A We don't base it on -- we base it on what the
8 target prods are nationally. I don't know exactly what
9 it is per piece of mail.

10 Q When you update the values -- well, I asked
11 that question.

12 Are there any reasons that a postal employee
13 would require an additional number of scans than is
14 assumed under the national average for a piece of mail?

15 A Not that I'm aware of. You don't use a scan
16 per mail piece to determine the national average. You
17 look at the total national to determine scans for that
18 level of office, not based on number of mail pieces.

19 Q So if there were additional mail pieces
20 coming into that office for whatever reason that would be
21 captured because you're using a national average? That's
22 correct?

23 A Or if there was less it wouldn't be captured
24 also. Correct.

25 Q If per chance you went back and the average

1 -- let's say since the last time it was updated from 25
2 or less than 25 to 25 to 75. Do you know if there have
3 been any additional postal products introduced requiring
4 scanning?

5 A I'm not aware of any. I'm not aware of that.

6 Q Or any requirements that would require
7 additional scanning?

8 A I'm not aware of that either.

9 Q You wouldn't know how many times a product in
10 the normal course of transmission, conveyance,
11 acceptance, processing and acceptance would be scanned?

12 MR. HOLLIES: Objection. Asked and answered.
13 That's three times in a row, the same question in
14 different forms.

15 BY MR. LEVI:

16 Q Does the Postal Service currently employ
17 technology that can measure the number of actual scans?

18 A We do have PTS I think it is. I think it's
19 PTS that actually tracks actual scans.

20 Q How is it determined which offices have
21 access to this type of technology?

22 A I'm not aware of that. I don't know.

23 Q If all offices had access to that type of
24 technology, would you get more accurate scanning numbers
25 than you use under the national average?

1 A That's on our list of things to accomplish
2 under the program, which I refer to --

3 Q Right.

4 A -- on one of the pages.

5 Q There are financial reasons you haven't been
6 able to deploy it. It's on the to-do list.

7 A Yes. Financial and time.

8 Q So the reason we rely on the average scans of
9 25 to 75 is because not all locations have the technology
10 that can measure the actual scans?

11 A I don't know if that's the issue or basically
12 the issue is we haven't got into the program yet.

13 Q Okay. At the top of page 7, within the
14 context of accurately measuring scanning mailed items you
15 relate the SOV or SOV environment to the Customer Service
16 Variance tool, which is used in larger post offices. Are
17 the SOV tools and the Customer Service Variance tools
18 updated on the same schedule?

19 A Yes. You know, we basically get weekly feeds
20 for their programs as well.

21 Q And on the same schedule? When you update
22 the CSV, you also update the SOV?

23 A Yes.

24 Q On page 6, line 12, you itemize SOV data
25 collection listing eFlash, which measures mail volume and

1 revenue; IRT, which measures retail transactions at
2 certain post offices --

3 A Actually there's no revenue from eFlash.

4 Q There's no revenue? Oh, okay. Okay. IRT,
5 which measures at some post offices, and it's unclear if
6 IRT is being -- we don't know who has IRT.

7 A In our terminology, IRT is any site that's
8 not POS.

9 Q Okay.

10 A So you're either POS or you're nonPOS, and
11 nonPOS equals IRT whether you're --

12 Q And IRT is a terminal?

13 A Whether you're manual, whether you're --

14 Q Okay.

15 A -- eMOVES, as you mentioned before. Anything
16 nonPOS is in the IRS bucket, which is fed from the IRT
17 data, ADM.

18 Q Right. And we already covered that. We're
19 not sure which post offices within the IRT have the
20 computer, the system, and which doesn't have the system.
21 Okay. And the AMS, which measures destination points.

22 A Yes.

23 Q Okay.

24 A Delivery points and routes.

25 Q I'm curious why you didn't include eMOVES in

1 your list of measurements in measurement of actual
2 workload data.

3 A eMOVES?

4 Q Yes.

5 A Because that was coming in through IRT.

6 Q That's coming in through IRT, but it's
7 not --

8 A IRT is walk-in revenue.

9 Q Right, but it's not workload. It's revenue,
10 correct?

11 A I'm sorry?

12 Q It's based on workload, not actual --

13 A No. It's based on revenue at the retail
14 unit.

15 Q Right.

16 A It feeds into the manual ADM, which is
17 Accounting Data Mart, which we call IRT.

18 MR. LEVI: Okay. That is all. Thank you.

19 CHAIRMAN GOLDWAY: Thank you, Mr. Levi.

20 Does the Public Representative have some
21 questions? Ms. Ferguson?

22 MS. FERGUSON: Yes. Good morning. Good
23 morning, Madam Chairman, Commissioners.

24 CHAIRMAN GOLDWAY: Identify yourself for the
25 record, please.

1 MS. FERGUSON: I'm Tracy Ferguson, Public
2 Representative in this case.

3 CROSS-EXAMINATION

4 BY MS. FERGUSON:

5 Q Could you explain the basic difference
6 between eFlash and SOV, the purpose, operating accuracy
7 levels that can be obtained from using those two
8 different methods?

9 A eFlash is kind of like our ledger. It
10 contains work hours and volumes associated with those
11 work hours. The SOV program --

12 Q I'm sorry. I think I said eFlash. I meant
13 eMOVES, the difference between eMOVES, the way that
14 measures --

15 A I'm really not familiar with eMOVES. All I
16 know is it's a manual reporting system of revenue for an
17 office.

18 Q Okay.

19 A That, IRTs, any other kind of manual
20 transactions done for stamp sales, that kind of stuff,
21 feeds into ADM, which is Accounting Data Mart, which we
22 get a feed from which we call IRT.

23 So basically any nonPOS site without a point
24 of sale terminal, we get their walk-in revenue, which is
25 all rolled into those different systems into ADM.

1 Q Okay. On your testimony at pages 3 starting
2 at line 3 it reads:

3 SOV also serves as a secondary source to
4 ensure accurate data resides in other postal systems.
5 The general need for verification and secondary checks on
6 primary systems is driven by management's need for
7 accurate data, which parallels requirements imposed by
8 SOX. SOV generates data that confirm or suggest the need
9 for further verification of routes and deliveries in the
10 Address Management System, also known as AMS, workload
11 and work hours from eFlash and on-the-rolls complement
12 from WebCoins.

13 Can you explain what you mean by secondary
14 source?

15 A Okay. Well, basically we take data from all
16 those sources and we put it in a program. Now, an office
17 can go in and look at that data. Let's say, for example,
18 when they recorded their parcel volume they put in 10
19 million pieces instead of 10,000 pieces.

20 Well, when you go to the program they're
21 going to see they're 200 percent achieved. They'll go
22 into it and look and see. What happened here? They'll
23 look at oh, parcel volume is way off the chart. Oh,
24 that's incorrect. Then you go correct it in Flash.
25 They'll go back to Flash, make the correction, which will

1 flow back into our program and be updated the next week.

2 The same thing with all the rest of the
3 programs too. An office could have moved routes from one
4 office to another office, and they moved them but didn't
5 do the paperwork to get them moved in AMS so they're not
6 getting credit in their office for those routes and
7 deliveries. They'll see that and go hey, I should be
8 getting five more routes here. They'll go back and do
9 the corrections at AMS. AMS will feed that update to us,
10 and we'll put it in the program.

11 So we're kind of like a secondary source of
12 backdating basically all these other data sources to make
13 sure they're accurate.

14 Q Okay. Thank you.

15 A I can go more if you want.

16 Q At page 3 on line 16 you state: SOV receives
17 a weekly Assured File Transfer, AFT, a tool for verifying
18 accurate data transmittal from eFlash; WebCoins; AMS;
19 Retail Data Mart, RDM; Accounting Data Mart, ADM; and the
20 Facilities Database, FDB. The eFlash data reconciled
21 year-to-date contains work hours by labor distribution
22 code for letters, flats and parcels, mail distribution,
23 including to box sections.

24 What is your understanding of how the
25 information in eFlash is generated?

1 A In SOV there's a manual process of how the
2 postmasters record their volume. They go in and record
3 their volume. Hours, my understanding is it comes from
4 TACS. Basically they clock in on the badge reader or
5 whatever. That data gets fed through the TACS system
6 into eFlash. The volumes and workload is entered by the
7 postmaster or person at that office.

8 Q Okay. And is there a process other than that
9 by which that data gets entered, or is it only through
10 like the postmaster or the head manager at that office?

11 A SOV gets entered by someone with information
12 on that office.

13 Q Are you familiar with End Of Run reports
14 available through WebEOR?

15 A Yes, I am.

16 Q And could you explain what those area?

17 A End Of Run is another data system we have
18 where basically pieces of equipment run mail. The mail
19 End Of Run reports get fed into the EOR system, and EOR
20 basically maintains that data --

21 Q Okay.

22 A -- which is fed to other systems.

23 Q Okay. Is it correct that the WebEOR provides
24 machine counts of volume that's finalized to carrier
25 route DPS or P.O. boxes?

1 A In my understanding, yes, EOR basically --
2 you can go into EOR and see how much mail was actually
3 finalized like for the box section or for the actual
4 carriers.

5 Q Okay. And how does the volume for an
6 individual post office as measured by eFlash compare to
7 the volume of an individual post office as measured by
8 WebEOR?

9 A Can you ask the question again, please?

10 Q Sure. How does the volume for an individual
11 post office as measured by eFlash compare to the volume
12 of an individual post office as measured by WebEOR?

13 A EOR feed also into eFlash. It feeds like DPS
14 volume into eFlash, and that's taken into consideration
15 in an office for the amount a mail carrier delivers, but
16 it doesn't include the manual volume. EOR is only stuff
17 put through a machine.

18 Q Okay.

19 A So I don't I guess see a direct correlation
20 between EOR and the manual volume in an office.

21 Q Okay. Do the employees of a particular post
22 office, the ones that actually see the SOV tally -- some
23 of them see SOV tally results you said, correct?

24 A I'm sorry?

25 Q Do some employees of particular post offices

1 get to see the SOV tallies like how much work the SOV
2 says has gone through there?

3 A Do you mean do they have access to the
4 program?

5 Q Correct.

6 A If their unit manager or postmaster gives
7 them access to a postal PC they have the ability to go in
8 there and look at it also.

9 Q Okay. I remember you answering that when Mr.
10 Levi was asking you questions and so I was asking based
11 on that have you received any comments from employees as
12 to how accurate those tallies actually are?

13 A Not directly. I've talked to the field
14 people in different stations and branches, some of them
15 204bs, which would be an employee -- it wouldn't be an
16 actual postmaster; it would be an employee -- and ask
17 questions about the program in the training we've done
18 and stuff like that, but I've never heard negative or
19 positive comments from clerks that I can recall.

20 Q Okay. I'd like to talk to you about how
21 earned workload is calculated in an SOV. Is it correct
22 that the earned workload is calculated by using standard
23 productivities for post office activities?

24 A Yes. It's used, yes. We have basically
25 target productivity factors, national factors that we

1 use.

2 Q Okay. And what are those?

3 A I don't know offhand. I'd have to refer back
4 to the program. I don't have a --

5 Q Okay. At page 4 on line 6 you state: In its
6 first year, which was 2009, SOV finished at 96 percent
7 achievement with 18,416 offices in the program. Percent
8 achieved is a measure of how closely SOV offices perform
9 to earned hours or earned hours divided by total actual
10 hours.

11 In the second year, although the bar was
12 raised under the principle of continuous improvement, SOV
13 offices were able to average 95 percent achieved. In the
14 year just ending, fiscal year 2011, without raising the
15 bar, hence maintaining the current standards, SOV offices
16 ended the year at 97 percent achieved nationally.

17 Can you explain what you mean by the bar was
18 raised?

19 A Basically we tightened up or increased some
20 of the target productivities.

21 Q For all offices where there were SOVs
22 implemented or just for some?

23 A No, for all. It's across the board target
24 productivities.

25 Q Okay. Does this mean that some of the

1 productivities were changed?

2 A Yes.

3 Q Okay. Were they improved?

4 A They were modified.

5 Q Do you recall which ones were modified?

6 A Not offhand, no.

7 MS. FERGUSON: Okay. No further questions.

8 Thank you, Mr. Ruiz.

9 CHAIRMAN GOLDWAY: Questions from the bench?
10 I believe Vice Chairman Acton has one question, and I
11 have a few.

12 VICE CHAIRMAN ACTON: Thank you.

13 CHAIRMAN GOLDWAY: Do you want to begin?

14 VICE CHAIRMAN ACTON: Sure. Thanks, Madam
15 Chairman.

16 Mr. Ruiz, thanks for your time this morning.
17 You clearly have an exceptional grasp of your field of
18 expertise, and we appreciate you sharing it with us. I
19 have some questions from technical staff regarding SOVs.

20 In your testimony on lines 6 and 7 you state
21 that while those offices lack certain equipment, their
22 workload is recorded, tracked, reported and updated. Can
23 you please elaborate on the equipment that these offices
24 lack?

25 THE WITNESS: Well, the POS equipment would

1 be a piece of equipment they don't have. They don't have
2 POS, so if they're a nonPOS site we track that even
3 though they don't have that equipment.

4 VICE CHAIRMAN ACTON: Are there any
5 particular machines or gear?

6 THE WITNESS: I'm unaware of any equipment
7 like automated equipment like CSBCSSs, customer source
8 barcode sorters, delivery barcode sorters, inside SOV
9 offices. My last check, none of them had any.

10 VICE CHAIRMAN ACTON: Okay. Thank you.

11 CHAIRMAN GOLDWAY: Is that your questions?
12 So as I understand it, the individual employees in nonPOS
13 offices manually record the transactions that they have
14 and submit them to --

15 THE WITNESS: I don't know exactly how that's
16 done. I'm not familiar with that process, Madam
17 Chairperson.

18 CHAIRMAN GOLDWAY: And you don't know to what
19 extent those people who record their work hours and
20 volume and revenue manually are able to check how they've
21 been input into the system? You say if they have a LAN
22 system they could pull it up, but if they don't have a
23 LAN --

24 THE WITNESS: Yes. I'm not aware of any
25 secondary checks on how they would -- you know, if we're

1 feeding them false information or something back. I'm
2 not aware of that.

3 CHAIRMAN GOLDWAY: Okay. And would you know
4 who it would be that would keep track of who has LAN
5 access and who doesn't in post offices around the
6 country?

7 THE WITNESS: No, I do not.

8 CHAIRMAN GOLDWAY: So I'll have to ask that
9 question of the institution.

10 I wanted to ask you. On page 2 of your
11 testimony you say: The SOV enhances the Postal Service's
12 ability to drive proactive management decisions in a
13 dynamic workload environment by a standardized intuitive
14 format.

15 This language for an English major is not
16 very clear and on its face seems a bit contradictory, but
17 what I'm more concerned about is what is proactive
18 management in your interpretation?

19 THE WITNESS: It gives the ability -- I mean,
20 proactive would be if an office wants to hire some
21 employees the program can show them whether or not they
22 have the actual work hours necessary to need additional
23 employees or, if they do, to hire additional employees,
24 or if an office --

25 They may be able to go in there and look and

1 say hey, they've been trending up. They actually have
2 more volume than they used to have. We need to get
3 somebody else in there before they get to the point where
4 we're paying too much overtime.

5 So it gives management an ability to trend
6 and lets us see how that office is performing so they can
7 actually appropriately manage that office.

8 CHAIRMAN GOLDWAY: Okay. Do they give the
9 employees in post offices any targets in terms of revenue
10 that they should generate?

11 THE WITNESS: I'm not aware of that if there
12 are any.

13 CHAIRMAN GOLDWAY: So there's no indication
14 in terms of proactive well, you only did X thousands of
15 revenue this year. Here's what you should do proactive
16 to generate more revenue.

17 THE WITNESS: I'm not aware of anything.

18 CHAIRMAN GOLDWAY: No. It's just proactive
19 in terms of being able to reduce employees if the revenue
20 goes down or to --

21 THE WITNESS: Increase if it goes up.

22 CHAIRMAN GOLDWAY: -- increase employees if
23 for some reason the revenue or the volume goes up.

24 THE WITNESS: It can also assist in staffing,
25 I mean, like if you have part-time employees and you look

1 at last week and you look at last year's last week or the
2 next week's last year. You may see hey, our revenue is
3 really down next week. I don't need four hours of window
4 clerk tomorrow, so just come in and work three hours. So
5 it can help you manage the workforce.

6 Or hey, tomorrow is going to be heavy based
7 on last year. We need to bring in another person to help
8 work the window because we're going to have more revenue
9 transactions. So it can be used in a lot of different
10 ways.

11 CHAIRMAN GOLDWAY: Okay. So that answers my
12 questions of what work is expected, which is later down
13 on that page.

14 But it doesn't work to identify offices and
15 tell them here's a way you might increase your revenue by
16 adding work hours, et cetera?

17 THE WITNESS: Yes. No.

18 CHAIRMAN GOLDWAY: I noticed on page 4 of
19 your testimony you say: The FDB contains unit
20 information which includes unit level opening and closing
21 times, mail arrival profiles and critical entry times.

22 So does that mean the FDB contains
23 information about the hours of operations of post
24 offices, how long they're open, 9:00 to 5:00?

25 THE WITNESS: Correct

1 CHAIRMAN GOLDWAY: And how long have you been
2 collecting that information?

3 THE WITNESS: FDB? We've been getting a feed
4 I think probably for three years. Three, maybe four
5 years.

6 CHAIRMAN GOLDWAY: So FDB should have some
7 information about what the hours of operation were for
8 post offices in 2009 --

9 THE WITNESS: I don't table --

10 CHAIRMAN GOLDWAY: -- and 2010 and 2011?

11 THE WITNESS: I don't table the old data. In
12 other words, we basically -- when it comes to a
13 complement, the number of employees on the rolls and FDB,
14 we don't basically table the old data. We just care more
15 about what's actually currently going on in the offices.

16 CHAIRMAN GOLDWAY: So that data is not stored
17 anywhere?

18 THE WITNESS: I don't think I have any old
19 FDB data. I'd have to check, but I don't think I have
20 any of the old FDB.

21 I think I pull it in weekly, truncate the
22 table and reload the data every week, pull the new office
23 level, the hours of operation, what time their box up
24 time is, that kind of stuff.

25 MR. HOLLIES: Madam Chairman?

1 CHAIRMAN GOLDWAY: Yes?

2 MR. HOLLIES: If I may help here? Postal
3 data systems in general are focused on the need to run
4 today's business or maybe tomorrow' business, and, as
5 this witness has explained at least for his program, it
6 looks also at SPLY, the same period last year.

7 But most postal data systems don't have a
8 business reason for storing long-term data, the old data,
9 because it doesn't really help, at least beyond SPLY,
10 figure out how to operate the Postal Service now and in
11 the near future. So that's a general truth. There's an
12 absence of a business requirement.

13 CHAIRMAN GOLDWAY: Well, it may not be a
14 general truth, but it's your general assessment of what
15 information is necessary to run a business.

16 You know, one of the questions we've asked is
17 trends over time and the relationship between hours of
18 operation and revenue that's brought in, which I think is
19 a legitimate business question to ask. I was trying to
20 see whether in fact through the FDB we could get that
21 information, Mr. Hollies, but it appears that you don't
22 save it.

23 You know, I hear about all these magical
24 computer whizzes that go back and find emails that you
25 think you've erased. Do you think that data is somewhere

1 available, but just not on your current machine?

2 THE WITNESS: I'm not aware of that. I heard
3 you mention retail. We do have the retail transactions
4 going back for a few years.

5 CHAIRMAN GOLDWAY: Yes, but not the hours of
6 operations --

7 THE WITNESS: Yes.

8 CHAIRMAN GOLDWAY: -- related to retail.

9 THE WITNESS: We have archive programs.
10 Every year when we finish up a year we archive that
11 previous year's data so I may be able to pull -- it
12 wouldn't be like week-by-week. It would be a one-time
13 snapshot of what it might have been during that year
14 sometime.

15 CHAIRMAN GOLDWAY: So it's possible that you
16 might have the revenue for a particular post office?

17 THE WITNESS: This is retail window hours.
18 These are hours, not revenue.

19 CHAIRMAN GOLDWAY: Okay. You would have the
20 hours of operation for a particular post office --

21 THE WITNESS: Yes, I might have it.

22 CHAIRMAN GOLDWAY: -- over a year archived?

23 THE WITNESS: I'd probably have one value for
24 that year.

25 CHAIRMAN GOLDWAY: And is there an archive of

1 the revenue that that post office has generated in that
2 year?

3 THE WITNESS: I actually have the revenue
4 data for every single finance number for the last three
5 or four years, five years, so yes.

6 CHAIRMAN GOLDWAY: Okay.

7 THE WITNESS: I would have revenue amounts
8 for offices.

9 CHAIRMAN GOLDWAY: So I think based on this
10 we will try and fashion a question to see if we can get
11 information that relates to hours of operation and see if
12 there's a relationship between that and revenue because I
13 think that would be quite useful. So thank you for that.

14 And I guess just for my information I wanted
15 you to explain for me once again the distinction between
16 earned workload data and administrative workload, which
17 is on page 6 of your testimony.

18 THE WITNESS: Earned workload would be
19 workload that is giving you an earned value based on some
20 actual work being performed, like in other words throwing
21 letters, throwing flats, throwing parcels, throwing box
22 letters, box flats, box parcels, working the window,
23 selling stamps. That's actual workload having to do with
24 real work being performed.

25 Administrative has to do more in secondary

1 things like maybe answering the phone in the office. It
2 would be administrative work. Managing your employees is
3 administrative work.

4 CHAIRMAN GOLDWAY: And there's a set formula
5 for each one of these?

6 THE WITNESS: We have there's a base hour
7 calc based on the office level that they get for
8 administrative for every office. They get more above
9 that, but there's a base.

10 Like if you're a Level 55 you get whatever,
11 one hour a day or whatever, two hours. I don't know the
12 exact values. I don't remember offhand, but there's an
13 actual value based on the office level.

14 CHAIRMAN GOLDWAY: Okay. But it wouldn't be
15 related to, for instance, the size of the office, how far
16 back into the stacks you have to go to pick up a package
17 and bring it back to deliver to somebody who's coming to
18 pick up a package?

19 THE WITNESS: Well, the office level is
20 basically based on partially the size of the office. I
21 mean, the amount of mail volume and that kind of stuff
22 determines the actual office level, so we give them a
23 value based on the office level. It's not necessarily
24 for that purpose, but --

25 CHAIRMAN GOLDWAY: Okay. And there's a

1 standard for administration, how many telephone calls you
2 have to answer, a standard formula?

3 THE WITNESS: Based on routes and deliveries.
4 It's on that one page that was shown earlier. There's a
5 value based on number of deliveries and stuff you have a
6 certain number of phone calls that can be expected.

7 CHAIRMAN GOLDWAY: Okay. But if you're the
8 post office in South Dakota where you're the only place
9 in town that has any information about anything on an
10 Indian reservation you wind up answering the phone more
11 than you might in an urban area where people can get lots
12 of information other ways. There's no way to adjust
13 that?

14 THE WITNESS: No.

15 CHAIRMAN GOLDWAY: Okay. All right. So is
16 there any data available for large offices or small
17 offices that tracks the customer visits where there's no
18 interaction with a Postal Service employee?

19 THE WITNESS: Not to my knowledge.

20 CHAIRMAN GOLDWAY: And what would you say,
21 given the questions I've asked and others, are the
22 differences that exist in the data that's available from
23 small offices versus large offices?

24 THE WITNESS: Basically we have the same data
25 pulling in for both.

1 CHAIRMAN GOLDWAY: You think it's comparable?

2 THE WITNESS: I think it's comparable. You
3 know, we take the utmost care in trying to make sure
4 everything is accurate and all the factors are within
5 reason, as well as to the national averages and stuff
6 like that.

7 CHAIRMAN GOLDWAY: And are there data for
8 either large or small offices you'd like to have, but
9 currently don't? I know you mentioned some of those in
10 your testimony.

11 THE WITNESS: We're working on getting the
12 actual scan data.

13 CHAIRMAN GOLDWAY: Could you enumerate those?

14 THE WITNESS: Yes. We're actually working on
15 getting the actual scan data for every office so we'll
16 actually have that value, and we'll put that into the
17 program once we get that.

18 CHAIRMAN GOLDWAY: Anything else?

19 THE WITNESS: I think that's about the only
20 thing that I can think of that really generates any kind
21 of workload for the offices that we don't currently get,
22 off the top of my head.

23 CHAIRMAN GOLDWAY: Okay. I believe that
24 Commissioner Langley has some questions for you, Mr.
25 Ruiz.

1 COMMISSIONER LANGLEY: Yes. Thank you.

2 Thank you, Mr. Ruiz.

3 Going on what Chairman Goldway just said, one
4 of the questions I was going to ask was about the
5 comparison of the quality and accuracy of the data
6 between small and large offices. And I think you are
7 comfortable that it's the same?

8 THE WITNESS: Yes.

9 COMMISSIONER LANGLEY: And we don't know
10 right now how many of the small offices lack the POS, is
11 that correct, or lack SOV? There was a discussion as to
12 whether or not this information is available somewhere in
13 the library references.

14 MR. HOLLIES: In case it helps your question,
15 the break is about 15,000 POS, 15,000, 16,000 POS
16 offices, and the rest are not.

17 COMMISSIONER LANGLEY: And then out of the
18 number that are being reviewed right now, is there
19 information on that?

20 THE WITNESS: I have no knowledge.

21 MR. HOLLIES: We've provided a lot of data.
22 I thought that was in there, but I couldn't say for a
23 fact it is.

24 COMMISSIONER LANGLEY: But it could be. All
25 right.

1 CHAIRMAN GOLDWAY: Commissioner Langley, I
2 intend to try and ask some questions to clarify that.

3 COMMISSIONER LANGLEY: I appreciate that.

4 CHAIRMAN GOLDWAY: I'll ask you to review
5 those questions.

6 COMMISSIONER LANGLEY: Thank you. And our
7 staff may also have --

8 CHAIRMAN GOLDWAY: Yes.

9 COMMISSIONER LANGLEY: -- information once
10 this hearing is over.

11 If an office lacks SOV, you still feel that
12 the data is as accurate as an office with the SOV?

13 THE WITNESS: If they have no access to the
14 SOV program or they can't see it because they have no
15 access they might not be able to validate their hours are
16 put in correctly or things are correct, but as long as
17 they were making correct entries then I would say yes.

18 COMMISSIONER LANGLEY: Well, wasn't that a
19 point of disagreement that you had with Mr. Avery's
20 statement that there are times when if SOV is not
21 available that the information is not being inputted
22 correctly?

23 THE WITNESS: I don't recall that.

24 COMMISSIONER LANGLEY: Thank you. You
25 mentioned I think it's on page 7 that the automated

1 scanning data that's available through the product
2 tracking system is on your to-do list.

3 THE WITNESS: Correct.

4 COMMISSIONER LANGLEY: Does that mean to have
5 it incorporated into the SOV?

6 THE WITNESS: And to CSV also. Both our
7 programs.

8 COMMISSIONER LANGLEY: And right now it's
9 really a lack of funding that is keeping you from doing
10 that?

11 THE WITNESS: Time. And it's also time.
12 We've been asking for it too. It's just moving the ball
13 forward.

14 COMMISSIONER LANGLEY: And how would that
15 help better track work hours earned?

16 THE WITNESS: Well, instead of using a value
17 based on office level we would actually pull off the
18 exact number of scans that office performs per week and
19 give them credit based on that. So if they have less
20 scans they would get less credit, and if they had more
21 scans they would get more credit.

22 COMMISSIONER LANGLEY: Or if there were an
23 office that had a great deal of eBay activity or Amazon
24 activity where there are packages going in and out, that
25 might more accurately track?

1 THE WITNESS: That would show up in the
2 scans. It wouldn't increase the number of packages
3 because that's reported through Flash.

4 COMMISSIONER LANGLEY: Right. That's
5 reported differently, but it certainly could impact
6 workload.

7 THE WITNESS: It could.

8 COMMISSIONER LANGLEY: Workload earned. All
9 right. Thank you for your responses.

10 CHAIRMAN GOLDWAY: So to follow up again,
11 let's say there's somebody who's an active eBay
12 businessman in a community and he goes to the post office
13 to pick up flat rate boxes which are on display, and he
14 doesn't have any interaction with a postal employee.

15 But then he uses those boxes when he hand
16 delivers those packages to a rural letter carrier, for
17 instance, who's coming to his home. Who gets credit for
18 this transaction?

19 THE WITNESS: Of picking up the mail? I
20 mean, the carrier would.

21 CHAIRMAN GOLDWAY: The carrier will get
22 credit for picking up the package and scanning it, and it
23 will be part of his --

24 THE WITNESS: Correct.

25 CHAIRMAN GOLDWAY: Correct. But the fact

1 that the business was able to get the packaging by going
2 to the local post office is not tracked anywhere?

3 THE WITNESS: There would be no workload
4 associated with that.

5 CHAIRMAN GOLDWAY: There's no workload
6 associated. Is there any measurement about the number of
7 flat rate boxes that are distributed in a post office on
8 a given month?

9 THE WITNESS: Not that I'm aware of.

10 COMMISSIONER LANGLEY: Does that then go into
11 what Mr. Levi was talking about, the nonrevenue?

12 THE WITNESS: No, because nothing is done. I
13 mean, he could have got them in the mail or --

14 COMMISSIONER LANGLEY: It's not that anything
15 isn't done. The post office exists. And this is just
16 helping me better understand. The post office exists.
17 People are going in and out. Some people are picking up
18 flat rate boxes.

19 If the post office wasn't there they might
20 not get that flat rate box. They might instead go
21 somewhere else to mail a package. And while they're
22 utilizing say a rural carrier, because of their time
23 constraints they might not get a flat rate box from a
24 rural carrier. So there's no way of capturing what
25 occurs in a facility that doesn't relate to work hours

1 earned?

2 THE WITNESS: Not that I'm aware of.

3 COMMISSIONER LANGLEY: All right. Thank you.

4 VICE CHAIRMAN ACTON: Madam Chairman, I'd
5 like to follow up a little on the question of data
6 sources.

7 CHAIRMAN GOLDWAY: Surely.

8 VICE CHAIRMAN ACTON: In page 2 of your
9 testimony, Witness Ruiz, on lines 3 and 4 you state that
10 SOV "integrates data from the same sources used
11 throughout the Postal Service to identify savings
12 opportunities in a relevant and actionable performance
13 management platform."

14 Can you tell us more about what these data
15 sources are that you're referring to in this passage of
16 your testimony?

17 THE WITNESS: Which line are you referring
18 to?

19 VICE CHAIRMAN ACTON: This is lines 3 and 4
20 on page 2. It begins with "integrates data".

21 THE WITNESS: Okay. And your question again?
22 I'm sorry.

23 VICE CHAIRMAN ACTON: You reference data
24 sources here. Integrates data from the same sources used
25 throughout the Postal Service. Can you speak to what

1 these data sources are that you're referencing?

2 THE WITNESS: eFlash is probably the main one
3 because eFlash is used across the Postal Service. It's
4 used for budgetary and all kinds of other stuff like
5 that. I mean, that's probably eFlash. That's our main
6 ledger, so it's used for everything.

7 I mean, Coins would be for complement. We
8 basically use Coins. Complement is a big part of the
9 Postal Service's overall processes and stuff too. Did I
10 answer your question?

11 VICE CHAIRMAN ACTON: Yes. Any others come
12 to mind?

13 THE WITNESS: Well, basically, I mean, every
14 single data source we access is used by some other
15 department. That was the reason they created it in the
16 first place, and we're just basically taking their data
17 that they have, that they created for their use, to put
18 into the program.

19 VICE CHAIRMAN ACTON: Thank you.

20 CHAIRMAN GOLDWAY: I see that Mr. Brinkmann
21 has come forward. Are you indicating that you wanted to
22 cross-examine?

23 MR. BRINKMANN: I just have one question
24 whenever it's appropriate.

25 CHAIRMAN GOLDWAY: Would you identify

1 yourself, please?

2 MR. BRINKMANN: Robert Brinkmann representing
3 the National League of Postmasters.

4 CROSS-EXAMINATION

5 BY MR. BRINKMANN:

6 Q Sir, in operating these systems you are a
7 Headquarters personnel, one of the three, I take it, that
8 deals with these systems. Have you ever worked in the
9 field with these systems actually doing the reporting
10 from a post office?

11 A I've given training on the systems. I mean,
12 when I was in the field these systems didn't exist so I
13 wasn't able to show something that wasn't there, but I've
14 given training and shown people in the field how to use
15 the systems.

16 MR. BRINKMANN: Okay. That's fine. That's
17 the only question I had.

18 CHAIRMAN GOLDWAY: Which people? I thought I
19 heard you say that you gave the training to managers in
20 the --

21 THE WITNESS: Actually I get calls from the
22 field from people in post offices that call me all the
23 time and ask me for training, and I'll do one-on-one if
24 I'm available to do it.

25 CHAIRMAN GOLDWAY: You will? I see.

1 THE WITNESS: So it's basically I'll do
2 training for groups. I'll do training for individuals.
3 We've trained coordinators. Basically, I mean, if I have
4 time and someone calls and wants information, I offer to
5 give it.

6 CHAIRMAN GOLDWAY: All right. Are there any
7 sort of typical problems that surface in the questions
8 that you get?

9 THE WITNESS: They call up and want to review
10 the program. I help them manage their office better.

11 In most cases it's like I'm not doing very
12 good over here they'll say in this one office. I'll go
13 in and look at the program, and I'll work with them and
14 say okay, from what I see here you've got people in the
15 window when there's no workload on the window, so maybe
16 you should have them be throwing box mail when there's no
17 workload in the window. So I'll recommend things to
18 actually help their productivity in that office.

19 Of if I see a reporting issue I'll tell them
20 well, I notice your flat volume is half what it was last
21 year. Is that correct? You might want to validate that
22 your flats are really that low, or maybe someone is not
23 reporting them correctly. So, I mean, things like that.

24 CHAIRMAN GOLDWAY: Okay. Thank you.

25 Mr. Hollies, would you like some time with

1 your witness?

2 MR. HOLLIES: Yes, I would. And maybe a few
3 more minutes would cut done possible redirect, so maybe a
4 morning break at this point?

5 CHAIRMAN GOLDWAY: Okay. So it's 10:24. Why
6 don't we come back at 10:40.

7 MS. FERGUSON: Madam Chairman, could we ask
8 one follow-up question to the bench's questions to
9 Witness Ruiz?

10 CHAIRMAN GOLDWAY: Sure.

11 MS. FERGUSON: Tracy Ferguson for the Public
12 Representative.

13 CROSS-EXAMINATION RESUMED

14 BY MS. FERGUSON:

15 Q Have you done any studies to compare the
16 accuracy of the retail transactions done at a manual IRT
17 versus a POS?

18 A Not myself. No, I haven't.

19 Q Do you know of any that have been done?

20 A No, not that I'm aware of.

21 Q Okay. And this is coming from me hearing you
22 say that the accuracy for both types are -- well, you
23 said both are very accurate, whether one is done by the
24 computer or others manually enter it. Do you have any
25 way of checking to ensure that they're actually accurate,

1 especially the IRT?

2 A Do you mean the manual, checking the manual
3 entries that they do?

4 Q Yes.

5 A I have no way of doing that.

6 MS. FERGUSON: Okay. No further questions.

7 CHAIRMAN GOLDWAY: Thank you. So it's now
8 10:25. We'll return at 10:40 with a 15 minute break.
9 Thank you.

10 (Whereupon, a short recess was taken.)

11 CHAIRMAN GOLDWAY: Mr. Hollies, do you have
12 some redirect for your witness?

13 MR. HOLLIES: Thank you, Madam Chairman. No,
14 we do not have any redirect for this witness.

15 CHAIRMAN GOLDWAY: Okay. That's nice to
16 know. And Mr. Ruiz, that completes your testimony here
17 today. We certainly appreciate your appearance and your
18 contributions to our record. We thank you for your
19 participation, and glad to have met you, and you're now
20 excused.

21 MR. RUIZ: Thank you, Madam Chairman, fellow
22 Commissioners. Thank you.

23 CHAIRMAN GOLDWAY: Is it Mr. Tidwell from the
24 Postal Service, do you have your next witness?

25 MR. TIDWELL: Yes, Madam Chairman. Good

1 morning. Michael Tidwell for the U.S. Postal Service.

2 We now call James Boldt to the stand.

3 CHAIRMAN GOLDWAY: Good to see you again, Mr.
4 Boldt. With respect to precedent, you are still
5 considered under oath from your previous appearance under
6 testimony, so I will not swear you in.

7 BY MR. TIDWELL:

8 Q Mr. Boldt, on the table in front of you is a
9 document, two copies of a document, entitled Sur-Rebuttal
10 Testimony of James J. Boldt, on behalf of the United
11 States Postal Service. It's been designed for purposes
12 of this proceeding as USPS-SRT-2. Have you had a chance
13 to examine the document this morning?

14 A I have.

15 Q Was the document prepared by you or under
16 your supervision?

17 A It was.

18 Q If you were to provide the content of that
19 document as your oral testimony today, would it be the
20 same?

21 A It would.

22 Q Madam Chairman, the Postal Service then moves
23 that the sur-rebuttal testimony of Witness Boldt be
24 entered into evidence.

25 //

1 CHAIRMAN GOLDWAY: Is there any objection?
2 Hearing none, I will direct counsel to provide the
3 reporter with two copies of the corrected sur-rebuttal
4 testimony of James J. Boldt. That testimony is received
5 into evidence. However, consistent with Commission
6 practice, it will not be transcribed.

7 (The document referred to,
8 previously identified as
9 Exhibit No. USPS-SRT-2, was
10 received in evidence.)

11 And we are now at oral cross-examination, and
12 two participants have requested oral cross-examination,
13 the National Association of Postmasters of the U.S., Mr.
14 Levi, and public representative, Ms. Ferguson. Is there
15 any other participant that wishes to cross-examine
16 Witness Boldt this morning? Then we'll begin with Mr.
17 Levi. Would you please come forward and identify
18 yourself before you begin?

19 MR. LEVI: Thank you, Madam Chairman. Bob
20 Levi for the National Association of Postmasters of the
21 United States.

22 CROSS-EXAMINATION

23 BY MR. LEVI:

24 Q Mr. Boldt, thank you for coming and good to
25 see you again.

1 I'm going to focus my questions, if I can,
2 not on any of the meetings that were conducted out in the
3 field, because I have no knowledge of what happened out
4 there, and you weren't at those meetings, do I'm not
5 going to put you on the spot for any of those situations,
6 but I want to ask, just meetings in general, I'm curious
7 as to how many of these meetings, of these community
8 meetings, you have actually participated in or you have
9 conducted or coordinated during let's say the past year
10 or couple years?

11 A I haven't been at any.

12 Q You have not? Have you ever coordinated any
13 of these community meetings?

14 A Not for purposes of a post office closure.

15 Q Okay. Thank you. On Page 4, Line 12 of your
16 sur-rebuttal testimony, you stated that Section 251,
17 quote, 'requires that we,' as in the Postal Service,
18 'reschedule meetings at more convenient times if we
19 receive information persuading us that the originally
20 scheduled times were inconvenient.'

21 A I see that reference. I'm quickly thumbing
22 through 251 in the --

23 Q Okay. And in 251.2, which is notifying
24 customers, I believe.

25 A Uh-huh, I have it.

1 Q What type of information do you required,
2 does the Postal Service require that would lead to you
3 rescheduling a meeting?

4 A I would think something that a preponderance
5 of evidence suggested that many folks could not attend,
6 would be something that would quickly come to mind.

7 Q That many folks, in the instances where
8 meetings have been scheduled outside of the recommended
9 times, would that type of information have been required?

10 A I don't have any record. We don't record
11 that information. I don't know how many might have been
12 changed as a result of the provisions you cite in 251.

13 Q But 251 is what you're using as your guiding
14 principle for rescheduling a meeting outside of times
15 that are recommended to be -- that encourages customer
16 participation, such as during an evening or weekend,
17 which is the recommended time?

18 MR. TIDWELL: Objection. The section does
19 not recommend times.

20 MR. LEVI: I'm sorry?

21 MR. TIDWELL: The section does not
22 recommend --

23 MR. LEVI: Okay, such as, here's an example.

24 MR. TIDWELL: There's a distinction, yes.

25 MR. LEVI: That the handbook takes apart

1 basically, specifies particular times as a -- outside of
2 other times.

3 CHAIRMAN GOLDWAY: Well, presumption that
4 that's --

5 MR. LEVI: Such as --

6 CHAIRMAN GOLDWAY: That's a convenient time.

7 MR. TIDWELL: Examples.

8 MR. LEVI: It doesn't say such as during
9 normal business hours. Where? In the handbook.

10 CHAIRMAN GOLDWAY: Yes. Does it as 'such as
11 normal business hours?'

12 MR. TIDWELL: It says, 'Be sure to schedule
13 the meeting at a time that encourages customers to
14 participate in such as during an evening or weekend.'

15 CHAIRMAN GOLDWAY: Right.

16 MR. LEVI: But does not say 'such as during
17 normal business hours.'

18 MR. TIDWELL: I just read what it said.

19 MR. LEVI: Right.

20 MR. TIDWELL: 'At a time that encourages
21 customer participation.'

22 MR. LEVI: Okay, I appreciate it.

23 BY MR. LEVI:

24 Q And would it be -- Mr. Boldt, would it be
25 correct to state that in an initial notification of a

1 date, time, place that is being made to community, that
2 notification is sent out consistent with the handbook,
3 five to seven days in advance --

4 A That's what the handbook says.

5 Q -- of the meeting? To reschedule a meeting
6 as is consistent with what is referenced in 251.2, an
7 original date, time and place would have been sent out,
8 and then a reschedule would take place.

9 A That seems plausible.

10 Q Is that the policy consistent with the
11 handbook?

12 A I could draw that conclusion.

13 Q So in the instances in which a discontinuance
14 coordinator in the field would schedule a meeting at a
15 time other than the 'such as' times, would it be
16 reasonable to assume that a community would have been
17 notified of a 'such as' time and rescheduled as a result
18 of evidence secured by this discontinuance coordinated
19 that at that time would not attract, as I say, customer
20 participation?

21 A I'm not sure I'm following your question in
22 its entirety but if you're asking me are there instances
23 where we would schedule such outside of evenings and
24 weekends, the answer is yes, and I think I further
25 explained then in the testimony starting on Line 17 that

1 no single time is ever consistent with all customer
2 preferences, and I think that needs to be taken into
3 consideration, as well.

4 Q Uh-huh. Now, as you just said, I understand
5 that no single time will benefit all customers and make
6 everybody happy. I think we all can agree to that, and
7 also further agree that there might be alternative -- as
8 you reference in your testimony, there might be
9 alternative avenues by which customers might provide some
10 level of input. You reference questionnaires and letters
11 and so forth?

12 A Right.

13 Q It might be possible that one of the more
14 transparent -- and transparency, I think, is something
15 that this Commission is concerned about, and I think the
16 Postal Service is also, but transparency, face-to-face
17 meetings, with the community, is a very transparent and
18 helpful, on both parts, for the community and for the
19 Postal Service, when studying a po for discontinuance.
20 Would you agree to that?

21 A I certainly agree that there's value to face-
22 to-face meetings, but I have also seen folks articulate
23 quite nicely in their letters when they provide
24 additional input, as well. And even to some extent have
25 a chance to further explain their position than they

1 might have in a meeting.

2 Q To what extent do those letters influence a
3 decision whether or not to discontinue or not discontinue
4 a post office?

5 A Remember, numerous factors go into whether or
6 not to continue or discontinue a facility. We've
7 articulated that in great detail in earlier testimony.

8 Q In your testimony you make a distinction
9 that's not necessarily evidence or obvious in the
10 handbook and that is between a so-called occasional
11 postal customer and a so-called regular postal customer.

12 A Get me to where you're referencing, please.

13 Q Sure. If you give me a second? Yes, on Page
14 4, Line 19, it's routinely visit, 'generally customers
15 who routinely visit there at that post office, while
16 inconveniencing customers who only occasionally visit the
17 office.'

18 A Okay.

19 Q That distinction of between an occasional
20 customer and a usual customer is not in the handbook, is
21 it? Is there inference drawn from the handbook that
22 would make that distinction?

23 A I don't believe that there is.

24 Q In the handbook, going back to the handbook
25 in Section 251.2, it states, 'If you receive information

1 that the time is inconvenient for most customers, the
2 time can be rescheduled.' Is that --

3 A That's out of the handbook, yes.

4 Q Can I ask you by what means do you determine
5 that a date, time and place is inconvenient to most
6 customers?

7 A I think I answered that earlier. Again, the
8 coordinators are the ones making those decision, but I
9 think as I answered, I believe I used the term
10 preponderance of evidence, that the coordinators would
11 receive, that that would not be convenient.

12 Q But in the testimony I just reference you
13 make a distinction between occasional and usual
14 customers, not most customers.

15 A I think you're detailing with apples and
16 oranges here a little bit. We're talking about all
17 customers for purposes of 251.2. We are making somewhat
18 of a distinction here but, you know, some of these may
19 chime in, some of them may not, but the handbook allows
20 for all of them.

21 Q So a discontinuance coordinator would be able
22 at the initial scheduling to schedule time that's not
23 during the evening or weekend, if in that discontinuance
24 coordinator's view, it could encourage participation of a
25 particular group of postal customers, usual postal

1 customers?

2 A I don't know that they'll break it down to
3 groups. You may have a certain group of customers within
4 your individual post office. That, again, goes to the
5 local knowledge. I'll only use this as an example for
6 lack of a better one. If I had a community that had very
7 -- had a high population of elderly people, I'll speak
8 from personal experience. My grandmother didn't want to
9 drive at night, so having a meeting during normal
10 business hours would be a prudent thing to do in that
11 example, if that was the scenario.

12 Q How would the discontinuance coordinator or
13 the person setting up the meeting come to that
14 conclusion?

15 A Get some feedback from those customers.

16 Q What form would that feedback be?

17 A Was scheduled originally, they would call,
18 write.

19 Q Okay. But the initial meeting -- what would
20 be the -- is there a default position for an original
21 meeting?

22 A No, there's not.

23 Q So notwithstanding that the 251.1 encourages
24 customers' participation, such as during an evening or
25 weekend, that the coordinator could schedule at whatever

1 time.

2 A There's no absolutely line in the same as to
3 what point that happens. I don't have that. It would
4 have to be looked at on a case-by-case basis, as is when
5 a lot happens with the P.O. one on one.

6 MR. LEVI: Okay, that's all I have. Thank
7 you.

8 CHAIRMAN GOLDWAY: Thank you, Mr. Levi. Ms.
9 Ferguson, public representative, do you have questions?

10 MS. FERGUSON: I do. Thank you, Madam
11 Chairman. Tracy Ferguson for the public representative.

12 BY MS. FERGUSON:

13 Q Good morning, Mr. Boldt.

14 A Good morning.

15 Q I want to start off with a question that
16 relates to the testimony we heard from Mr. Ruiz and then
17 go into the community meetings. Do you know the number
18 of RAOI offices that have reviewed for SOV and IRT
19 accuracy?

20 MR. TIDWELL: Madam Chairman, the Postal
21 Service is going to object to this line of questioning as
22 outside the scope of this witness' testimony.

23 CHAIRMAN GOLDWAY: This witness has prepared
24 the whole RAOI discontinuance review process and has
25 testified to it.

1 MR. TIDWELL: And this question, it goes
2 outside the scope of the discontinuance review process.
3 It pertains to the data systems. His testimony today is
4 limited to rebuttal of the testimony of a couple of
5 Intervenor witnesses on the discontinuance meetings,
6 allegations regarding discontinuance meetings.

7 CHAIRMAN GOLDWAY: I think what we will try
8 and do is ask him if he knows the answer to it, and then
9 we'll see what happens.

10 THE WITNESS: With that, Tracy, could you
11 please repeat the question?

12 BY MS. FERGUSON:

13 Q Do you know the number of RAOI offices that
14 have been reviewed for the accuracy of their use of SOV
15 or the IRT?

16 A I'm not following your IRT question, when it
17 comes to accuracy. If an office has an IRT, in order to
18 complete the transactions, they must use it, so I don't
19 know where there would be a variance to accuracy with an
20 IRT.

21 With regards to SOV, we rely on the data as
22 you heard in testimony, that is input and oftentimes, if
23 not all times, by the local level, managers, managers
24 post office operations, should be reviewing that
25 performance. As you heard in testimony and ask I heard

1 in testimony, when they seen anomalies, they question
2 them. They have them corrected.

3 Also a lot of the data sources that SOV uses
4 are extracted from other tried and true systems within
5 the Postal Service. You've heard e-flash. You've heard
6 TACS. I can't think of a person that would allow their
7 time to go unreconciled if it was incorrect, and that's
8 exactly what TACS is. It's their time record. It's how
9 they get paid.

10 Q And who do they go to? Who do they direct
11 these concerns or questions or corrections to?

12 A If they are unable to correct them -- well,
13 first of all, it depends on the system, okay. There is a
14 process for -- I was finishing up with TACS. There is a
15 process for making time record adjustments. There's
16 forms that have to be completed in order to do that,
17 because if there's a mistake we want to get it corrected,
18 but we also want to do that correction.

19 If there's a problem in e-flash, such as
20 volume recording, and they're unable to correct it at
21 their level, then in fact they should go through their
22 manager. Their manager, post office operations, and have
23 it corrected, or their district coordinator, as you also
24 heard in testimony early today, to get it corrected.

25 Q Okay. Going to community meetings, a lot of

1 your testimony deals with directing questions towards
2 individuals who were either at or conducting meetings or
3 field operations?

4 A That's correct.

5 Q Were any of these people that you spoke to
6 under oath when they were answering you?

7 A No, they were not.

8 Q Okay. So we have no way to cross-examine or
9 validate the information that they're providing to you?

10 A I'm unaware of how you would do that.

11 Q And were most of these conversations over the
12 phone or in person?

13 A You have my testimony of what I heard when I
14 questioned these individuals.

15 Q Exactly. I was asking when you questioned
16 them did you question them over the phone or did you go
17 to where they were in person?

18 A It was over the phone.

19 Q And just for the record, you are still the
20 national manager of customer service operations in the
21 Office of Delivery and Post Office Operations?

22 A That's correct, that's me.

23 Q And when you contacted them, it was from
24 headquarters; correct?

25 A Yes, I did.

1 Q Okay. You put on Page 1 of your testimony
2 that your purpose is to simply share information. And
3 one of the bits of information I noticed that you shared
4 with, that it is not a requirement to take notes at these
5 community meetings on the part of the Postal Service.

6 A Could you tell me what you're referencing?

7 Q Sure.

8 A I believe that was Alleene, is that correct,
9 Arkansas?

10 A I believe so. Let me just double check where
11 that was. I believe it's on Page 7, if I'm correct.
12 Yes, Line 2. I'm going to take it -- I guess independent
13 clause, 'Handbook 101 does not require that notes be
14 recorded during the meeting.'

15 A Uh-huh.

16 Q Okay. By recorded did you mean taken or did
17 you mean recorded by a device?

18 A I meant taken, written.

19 Q Do you know whether taking notes was a
20 requirement at any time prior to the most recent July,
21 2011 handbook?

22 A I honestly don't.

23 Q Would you be surprised to see that community
24 meetings that occurred prior to July, 2011, that's the
25 publishing of the most recent handbook, actually did have

1 a requirement to take notes in the administrative record
2 that were submitted with cases that they were required to
3 take notes but yet did not.

4 A Again, I can't speak to that directly,
5 subject to check. Perhaps I could take you on your word.

6 Q Okay. Would you be surprised that that
7 happened in at least three of the appeals cases that the
8 Commission has since decided on?

9 A Again, I'll have to take you on your word.

10 Q After a meeting, a consumer meeting analysis
11 is done, where does it go?

12 A What do you mean where does it go? Does it
13 go a part of the record or --

14 Q Who is it sent to?

15 A Well, let's go to the flow chart in 101. And
16 I think it articulates there the chain of events.

17 MR. TIDWELL: For the record, it might be
18 helpful if one could cite --

19 THE WITNESS: I would ask you that -- Page 5
20 or 133.3, the process flow chart in the P.O. 101.

21 BY MS. FERGUSON:

22 Q All right. I'm going to go back to my old
23 question because it was found what I was looking for. Do
24 you have a copy of the handbook with you by any chance?

25 A Yes.

1 Q You do. Could you please turn to Page or
2 Section -- Page 15, the section is 25, Community
3 Meetings.

4 A Uh-huh.

5 Q And under General.

6 A Uh-huh.

7 Q And is that the penultimate sentence? No.
8 The sentence at the bottom of the second paragraph that
9 begins, 'Make notes.'

10 A Uh-huh. 'Of customer concerns and responses
11 for inclusion on the official record,' that's correct.

12 Q Okay. So would you now change your testimony
13 on Page 7?

14 A I would not, because on Page 7 it further
15 says, 'Does not require notes to be recorded during the
16 meeting. There's nothing that precludes them from taking
17 notes immediately following the meeting.'

18 Q Okay, go with that. What's the purpose of
19 the community meeting in your own words?

20 A I think it's clear, is to get feedback from
21 the customers, a time for the coordinators or the POM's
22 or those conducting the meeting to share with the
23 customers what's happening, what some of the alternatives
24 are. Those are some that quickly come to mind.

25 Q What is it necessary to have it before the

1 end of the review -- discontinuance review process?

2 A I'm sorry?

3 Q Why is it important to have it prior to the
4 end of the discontinuance study of the discontinuance
5 review? Why not just have it after the final
6 determination has come out?

7 A Community meeting?

8 Q Uh-huh.

9 A Because it's important to get that feedback.
10 There may be some things that local folks maybe made some
11 assumptions that were incorrect. We've had offices
12 stopped as a result of information received from
13 community meetings.

14 Q So you've used community meetings to help
15 inform the Postal Service, as well, about the needs of
16 the community and whether or not a postal facility should
17 remain open or closed?

18 A Folks have made determinations based on
19 feedback from community meetings.

20 Q Okay. Can you give me an example of an issue
21 that was raised that caused you to decide not to continue
22 the discontinuance?

23 A I'd have to go back and look at some of those
24 examples and maybe get some feedback from the
25 coordinators, but you know, I can't think of one off the

1 top of my head except that postal managers felt that they
2 would not be able to meet the needs of the community, or
3 maybe there was another option, maybe it was where two
4 offices were close together and they decided that this
5 was not the right office to close, perhaps the one down
6 the street, which was perhaps also under discontinuance,
7 was a better candidate in terms of still meeting their
8 customer need. That two-office scenario is one that
9 comes to mind.

10 Q So in your opinion they're important?

11 A Yes, they're important.

12 Q So it would be important to have people from
13 there from the Postal Service that knew the community and
14 were trusted by supervisors so that they could actually
15 relay the thoughts of the community to the supervisors?

16 A Yes, as one avenue of many for them to
17 provide us with that information, yes.

18 Q Okay. Are you aware of instances where
19 community meetings should have been held and were not?

20 A When you say should have been held, I mean, I
21 think the --

22 Q I'll change that. Could have been held but
23 were not.

24 A I'm aware of very few and I believe that we
25 heard that from Dean Granholm where he's the one that

1 makes the decision if it is infeasible to have a
2 community meeting, which goes to 211 on the feasibility
3 study -- I'm sorry, it's not 211.

4 Q So just to be clear, this is a question that
5 you think only Dean Granholm but not the national manager
6 of customer service operations should answer?

7 A That's not what I said. In order to be
8 excluded from a community meeting, it must go to Dean
9 Granholm to be requested, and I believe if you go back to
10 his testimony, he mentioned that I believe at the time he
11 had one that he had approved and one he was considering.
12 I believe he used the prison as an example, of one that
13 he was considering, and one was a hospital. I believe it
14 was a hospital here in D.C. that had completely closed
15 and there was nobody there.

16 Q I understand. Those would be extreme
17 conditions; correct?

18 A Sure.

19 Q Okay. Going back to examples or, sorry,
20 going back to the question I asked about having reliable
21 personnel there, such as people that knew the community
22 well, and knew the needs of the community well, have you
23 been aware personally of situations where it has not been
24 like that, where the Postal Service representatives have
25 not been those people?

1 A I'm not aware personally, no, but I am aware
2 that the guidelines also do provide for it. We have
3 unanswered questions that we are to get back and address
4 those, so if there was a question that folks were unable
5 to answer, they had a responsibility, in accordance with
6 the handbook, to get back to those.

7 Q Okay. And the handbook provides for who to
8 be there?

9 A Those provisions are under, I believe, 253,
10 conducting the meeting. There's A through D as outlined
11 there.

12 Q 'he district manager or MPOO conducts the
13 management presentation and provides responses to
14 customer questions.' That would be Part C; correct?

15 A Part C; correct.

16 Q Okay. Are you aware of meetings where the
17 district manager and MPOO are not there?

18 A Yes, I'm sure that is the case in some cases.

19 Q And how can that be if the handbook says that
20 they will be the ones conducting a presentation?

21 A I think both of those have the right to
22 delegate authorities to be and represent them at these
23 meetings.

24 Q Does it say that?

25 A I believe it can be implied that they have

1 the delegation to do so.

2 Q Well, it could be implied that a customer
3 could also run the meeting if they knew things well
4 enough to do so, but that's not what's stated; correct?

5 A That's correct. I'm again --

6 Q So it does not state that the district
7 manager or MPOO could delegate if they had too many
8 things going to?

9 A I believe that they can.

10 Q Okay. I'm going to ask you one more time
11 though, the handbook does not state that the district
12 manager and the MPOO can delegate if they have too many
13 things going on?

14 A The book does not say delegate.

15 Q Okay. Why is it important in your estimation
16 to have a decision making in the meeting or conducting
17 the meetings?

18 MR. TIDWELL: I'm going to object to the
19 question. There's a lack of foundation. The decision
20 maker is the vice president of Post Office and Delivery
21 Operations at headquarters.

22 CHAIRMAN GOLDWAY: This witness drafted the
23 document. He must have been involved in the --

24 MR. TIDWELL: The question is why isn't the
25 decision maker -- the decision maker is Mr. Granholm.

1 MR. BRINKMANN: So he is the only decision
2 maker; is that what you're saying?

3 MR. TIDWELL: He makes the final decision.

4 BY MS. FERGUSON:

5 Q So following on your attorney's testimony,
6 why would anyone other than Dean Granholm hold these
7 community meetings?

8 A Obviously Dean Granholm cannot conduct 3600
9 meetings. Dean Granholm relies on all the information
10 available in the packet, in the document, coming his way
11 before making the final decision. Mr. Granholm, I can
12 tell you from personal observance, has returned packages
13 for either inadequate or information he failed to
14 understand, and Mr. Granholm has also rejected offices
15 that have come to his attention for final discontinuance.

16 Q I guess what I want to know from you is I'm
17 taking your responses, and I don't have how if this
18 community meeting is important, that you say in your
19 opinion it's the running of the meeting can be delegated
20 and there's no finite point to which it -- it could be
21 delegated to the carrier, as long as the carrier knows
22 the area well, is what I'm taking from what you're
23 saying, yet these are important meetings that could
24 provide information that someone at the level of Deal
25 Granholm would look at and say, 'You know what, maybe we

1 shouldn't close this facility.' I want to understand how
2 those two opinions can be reconciled.

3 A First of all, you're making the assumption
4 that a carrier in your example, and I don't think that
5 there is an example such as that, would fail to
6 articulate the happenings of a meeting, and I think
7 that's a poor mischaracterization of what some people
8 might be able to do.

9 I also believe very strongly, as we've said
10 time and time again, the community meeting, while
11 important, yes, is also one of several avenues that
12 customers have to provide feedback to the Postal Service.

13 Q And those several are?

14 A Let me finish. There's another piece that a
15 lot of our discontinuance coordinators, some of which are
16 POM's and Postmasters, are also assisting in conducting
17 these meetings. They have handled some of them tens,
18 if -- hundreds of these meetings. They are very
19 experienced. They understand the Postal Service's
20 policies and programs. They also understand the Handbook
21 101. They are very experienced, and in some cases
22 perhaps have more experience than perhaps a new POM just
23 new to the job.

24 So we have some very experienced people out
25 there that can conduct these meetings, get the

1 information needed, and properly articulate it as a part
2 of the docket.

3 Q The only person that I'm aware of aside from
4 the vice president, Mr. Granholm, who I don't expect to
5 be at any meetings, unless under extreme conditions, the
6 only person that I'm aware of and based on the flow chart
7 provided by the Postal Service in the handbook, in the
8 introduction portion on Page 5, that has approval power
9 to continue the discontinuance study is the district
10 manager.

11 A Before it gets to Mr. Granholm, yes.

12 Q Correct. When I asked about a decision maker
13 at the meeting, because these community meetings are
14 important, why would it not be standard to always have
15 some someone with decision-making power at that meetings?

16 A He makes the decision before it goes to the
17 district manager, the MPOO. Many MPOO's are at these
18 meetings. If not, they're relying on other folks to do
19 these meetings, some of them very experienced in their
20 fields.

21 Q Does the MPOO have decision authority,
22 decision-making authority?

23 A It's forwarded over to the district manager
24 according to the flow chart, correct.

25 Q So they do not. It's the district manager

1 who --

2 A The district manager that makes the decision
3 at that point to --

4 Q But the MPOO makes the recommendation; is
5 that right, the --

6 A The MPOO.

7 Q Makes the recommendation.

8 A Yes.

9 Q Could the MPOO say, no, we shouldn't go
10 forward with it?

11 A Yes, absolutely. The flow chart has many
12 areas where it says no and what to do when you say no.

13 Q How can the Postal Service or you, is a
14 better way, because you don't represent the entire Postal
15 Service, but how could any individual be assured that
16 what the MPOO is relaying or whomever, the OIC, or the
17 PMR or a very apt and able letter carrier, is relaying
18 accurate information when they don't even need to take
19 notes at the meeting and don't even need to take notes
20 soon after, they just have to take notes at some point?
21 And they can't record it?

22 A I think you've melted several scenarios in
23 there and what I would consider a far extreme and
24 hopefully impractical scenario.

25 Q No, I'll make it clearer, very practical, and

1 I won't melt. How can the district manager be assured
2 that what he or she receives from any underling at a
3 meeting is an accurate representation of that meeting?

4 A I believe district managers rely on
5 subordinate staff all day long, just as I do for a
6 multitude of decisions made beyond discontinuances.
7 Folks are managing multi-million dollar operations and
8 they rely on staff to make decision.

9 Q Okay, but a community meeting, for lack of a
10 better word, is an untamed beast. You never know what's
11 going to happen, you never know what's going to come out
12 of people's mouths. It comes out differently when it
13 comes out of one person versus another. Why in your
14 estimation is that the type of area where delegation can
15 occur, yet still be accurately heard by the person who
16 makes the decision?

17 A I'm very comfortable with that. I'm very
18 comfortable that that can be me.

19 Q Okay.

20 COMMISSIONER LANGLEY: Can I interrupt just
21 to ask a question? I know, you know, the Postal Service
22 has recently made an announcement that recordings can be
23 made at meetings. I know that for me it's easier if I
24 take notes, because then I have down what was actually
25 said, and since most of this discussion that's happened

1 for the past couple probably ten, 15 minutes is, you
2 know, setting up that Mr. Granholm has the information he
3 needs, isn't it an important way for Mr. Granholm to be
4 assured that the accounting of what transpired at the
5 community meeting is just -- with written notes, and that
6 way no one can dispute what was happening?

7 THE WITNESS: Madam Commissioner, we have
8 perhaps a slight disconnect here. The policy on the
9 notes or the recording was that for the press and others
10 there.

11 COMMISSIONER LANGLEY: I see.

12 THE WITNESS: It's still in the handbook that
13 the Postal Service not make the recordings in terms of
14 tape recordings.

15 COMMISSIONER LANGLEY: But the public or the
16 press --

17 THE WITNESS: The public or the press can,
18 correct. That was the confusion earlier that has been
19 cleared up, so -- and I'd also like to point out that
20 we're referencing what was characterized in one meeting
21 where it was alleged that the coordinator did not take
22 notes. We've conducted about twenty-seven, twenty-eight
23 hundred meetings, and I have one case here that it was
24 alleged that we didn't take notes, so I'd like to think
25 it was an extreme.

1 COMMISSIONER LANGLEY: So in the majority
2 there are notes?

3 THE WITNESS: Yes.

4 COMMISSIONER LANGLEY: Yes.

5 BY MS. FERGUSON:

6 Q One other question. I looked in the handbook
7 and there are -- I guess they are titled Sample Proposal
8 Cover Sheets and Paragraphs for how to collection from
9 these meetings. They appear -- well, they are
10 prewritten, for lack of a better word, boilerplate, that
11 have areas that people can insert names of the towns, et
12 cetera.

13 The majority of them deal with rural issues.
14 Is that correct?

15 A Do you have some samples you'd like to point
16 me to or are they in the handbook?

17 Q They are in the handbook.

18 A Towards the back?

19 Q Maybe under exhibits. Unfortunately, mine
20 are from an outdated handbook. I don't want to hand
21 those to you. It was Section 330 --

22 A 3?

23 Q 333, 335? Yes, they don't have --

24 A I thought there was some --

25 Q I'll ask another question based on that

1 really, is when notes are taken, even though when
2 customer concerns are heard, they're very specific -- for
3 example, let's say they're just specific customer
4 concerns, it will be morphed so that it can fit into that
5 pre-designed paragraph; correct?

6 A I think it is safe to say that many concerns
7 can be generalized perhaps for --

8 Q That's a better word. It will be
9 generalized, okay. So if you are not there to hear it,
10 you will see it in a generalized form, but you may lose
11 the specificity?

12 A Well, if you had something that perhaps fell
13 out of that general bucket, if you will, then it should
14 be addressed separately.

15 Q Okay. How many of the -- how many of the
16 concerns and responses that you've reviewed contain extra
17 or more specified notes or specific notes?

18 A I don't -- the final review doesn't come to
19 me. It comes to Dean, so I typically don't see the final
20 packages.

21 MS. FERGUSON: No further questions. Thank
22 you, Mr. Boldt.

23 CHAIRMAN GOLDWAY: Mr. Brinkmann, I see
24 you've moved up to the table? Would you identify
25 yourself, please?

1 MR. BRINKMANN: Yes, Robert Brinkmann, the
2 National League of Postmasters, representing the National
3 League of Postmasters. I have a follow-up to a question
4 Mr. Levi asked you earlier today.

5 CROSS-EXAMINATION

6 BY MR. BRINKMANN:

7 Q I should say good morning before I question.

8 A Good morning.

9 Q You had a discussion about trying to set
10 meeting times, you know, looking at the local population,
11 and you seemed to suggest the discontinuance coordinator,
12 you know, made a fairly good effort to call around, talk
13 to people, survey the informal survey, the community, to
14 get a sense of what would be a good time for the meeting;
15 correct?

16 A I think I also used that they should get some
17 local information, like the local postmaster, who has a
18 pretty good sense of what the community is made up of.

19 Q How much time do you think is involved in
20 that?

21 A In scheduling those meetings?

22 Q Yes.

23 A I think some of these coordinators spend an
24 enormous amount of time trying to schedule these
25 meetings.

1 Q Then if indeed that much time is spent just
2 coordination the possibility of having a meeting, why not
3 cut to the chase and say have two meetings, one at 11
4 o'clock in the morning and one at seven o'clock at night,
5 and not spend all that time trying to find what one time
6 would be the best? Would not that be more efficient?

7 A I don't know -- I suppose you could draw that
8 conclusion, but I also again would like to reference you
9 back to Line 17 on Page 4 of my testimony, that still
10 suggests that no single time is ever going to be
11 consistent for all customers.

12 Q There's no question about it, but I mean, you
13 would agree, would you not, that two times would tend to
14 hit a -- be more satisfactory to a broader number of
15 customers than one time?

16 A I can't argue that more times would open up
17 for more participation. I think that speaks for itself.

18 Q Do you know of any situations where a
19 discontinuance coordinator decided that they just have
20 two meetings and, you know, kind of meet everybody's
21 needs, one sometime in the morning, one the elderly
22 people could easily get there, and one at seven o'clock
23 at night when people who work could go?

24 A I don't have direct knowledge that some of
25 them have.

1 Q Even though you don't have direct -- have you
2 heard anything about even a suggestion that that might
3 have happened?

4 A I have heard suggestions where we might have
5 done a meeting again, but I think it was based on some
6 concerns that might have been raised at the first
7 meeting, such as participation. I've had a general sense
8 of that. I do not have a specific, so that might have
9 created the need for possibly a second meeting.

10 MR. BRINKMANN: Okay, Madam Chair, I have no
11 more questions.

12 CHAIRMAN GOLDWAY: Thank you. Questions from
13 the bench? Commissioner Langley, you can begin.

14 COMMISSIONER LANGLEY: Thank you, Mr. Boldt,
15 and since I interrupted Ms. Ferguson, I appropriately
16 welcome you today, but I do appreciate your being here.
17 I know you've been very diligent in following all that's
18 gone on here.

19 I have a question regarding the whole
20 process. One of the post offices that's being reviewed
21 for discontinuance has had its hours of operation changed
22 from 20 hours a week to 15 hours a week. How does that
23 change in hours of operation get plugged into the CSDC,
24 or does it get --

25 THE WITNESS: Again, I'm not the program

1 manager for CSDC. I suppose it could be a relatively
2 easy question to take as a homework. I don't know that
3 it -- it very well might. It comes out of FDB, and I
4 know CSDC extracts some data from FDB, so I certainly
5 would think it's a field that could be drawn, but I can't
6 speak specifically whether it does or does not off the
7 top of my head.

8 COMMISSIONER LANGLEY: Because it would seem
9 to me that changing hours of operating, reducing the
10 hours, in order to perhaps in the mind of the Postal
11 Service better conform or better balance workload with
12 hours of operation, would be an important consideration
13 during a discontinuation process, and that information
14 should be available on a real time basis, so that nothing
15 falls through the cracks.

16 THE WITNESS: Yes. Again, I'd have to look.
17 I think it does but I'm not sure.

18 COMMISSIONER LANGLEY: I would very much be
19 interested in knowing what happens to that information,
20 because I think it is a good point to be made.

21 THE WITNESS: Certainly if not in CSDC,
22 certainly the local managers that are conducting the
23 study would have access to that information, so --

24 COMMISSIONER LANGLEY: Right, but how would
25 Mr. Granholm know that this is happening if, you know,

1 there has been, you know, on a need to know basis?

2 THE WITNESS: Good question.

3 COMMISSIONER LANGLEY: So I would really
4 appreciate that. The other question that I had, on Page
5 15 of your testimony at Line 20, you discuss the issue
6 that in the past tens of thousands of employees had
7 access to the first version of the CSDC, and now that
8 number has definitely been contracted.

9 THE WITNESS: Yes.

10 COMMISSIONER LANGLEY: And you say this is
11 especially true in today's SOX environment. What is the
12 connection there? If you could just explain that, it
13 would help me understand.

14 THE WITNESS: That was the feedback I got
15 from the folks doing it, that it was more SOX compliant.
16 But I do know that we restricted it to an as-needed basis
17 or those that were on an as-need-to- know basis.

18 COMMISSIONER LANGLEY: I do understand the
19 as-needed basis but I don't understand the connection to
20 SOX, and perhaps as another homework assignment, we could
21 have further information on the correlation between the
22 universe of individuals who have access and SOX?

23 THE WITNESS: Okay.

24 COMMISSIONER LANGLEY: Thank you. That's my
25 questions.

1 CHAIRMAN GOLDWAY: Commissioners, I've been
2 cautioned by our counsel that he's very anxious for us to
3 be able to close the record so we can move ahead with
4 decision making, so I want to be clear about the
5 questions that you would like to have answered, and mine
6 as well, and my hope is that after the close of questions
7 and answers, that we will go over those with counsel and
8 figure out which ones we can get to relatively easily,
9 and others may just be questions that we have to pursue
10 on our own for future policy discussions, because we do
11 have to make a decision, but I've been pursuing this
12 issue of hours of operation and a reduction in hours of
13 operation since the first line of questioning a month or
14 more ago, so that's certainly an area I want to pursue,
15 but keep that in mind and make sure your questions are
16 clear and give them to me at the end of the hearing, so
17 we can make sure that happens.

18 Commissioner Taub, do you have questions?

19 COMMISSIONER TAUB: Yes, thank you, Chairman.

20 Good morning, Mr. Boldt. In your testimony,
21 today's testimony, on Page 3 there's a footnote Number 1,
22 speaks of the claim of a witness strong -- involving one
23 of the most common complaints. At the end of your
24 testimony on Page 16 you also, in the conclusion,
25 describe the questions, concerns that come up.

1 In all seriousness, to what extent do you get
2 many comments, questions, coming in of a positive nature
3 that Postal Service, this is right on, love what you're
4 doing?

5 THE WITNESS: There have been a few. I don't
6 keep a long of them or anything like that, and I will
7 appreciate there have been a few. I've even had a
8 postmaster that said I've seen this coming, and was not
9 surprised by the fact that their office was on the ROAI.

10 COMMISSIONER TAUB: Sure. It's the nature,
11 it would seem certainly, you're going to have to -- as
12 you outline there, can you give a flavor in that Footnote
13 1 what are some of the common complaints that come up?
14 You had noted, you know, one of them -- one of the most
15 common here is kind of the understanding of the community
16 meeting. What are some of the other common complaints?

17 THE WITNESS: Those are customers coming back
18 --

19 COMMISSIONER TAUB: Through the process or
20 the community meetings?

21 THE WITNESS: I think we've seen them, a lot
22 of customers' concerns are their gathering place is a
23 concern.

24 COMMISSIONER TAUB: Yes.

25 THE WITNESS: I know money orders have chain

1 of come up in some of their concerns. Those are some
2 that quickly come to mind.

3 COMMISSIONER TAUB: Yes.

4 THE WITNESS: Some of the concerns that we
5 have.

6 COMMISSIONER TAUB: I was thinking also more
7 to the extent the complaints about the process that
8 there's concerns vis-a-vis how what's in the Handbook 101
9 --

10 THE WITNESS: From Postal or from --

11 COMMISSIONER TAUB: Consumers, yes.

12 THE WITNESS: Really the community meeting is
13 the one that normally has come up. I don't think that --
14 I mean, they understand that there is a process. Some of
15 them might dig into that process but the community
16 meeting is usually the one that has come up the most.

17 COMMISSIONER TAUB: So that would be the
18 largest area. And you highlight on Page 16 that when
19 issues come up, training will be instituted to look at
20 specifically Line 16 on Page 16, when situations have all
21 been deviations from existing policy come to attention,
22 training, remedial measures are employed. Could you
23 amplify on that a little bit, you know, as problems come
24 up how the Postal Service reacts?

25 THE WITNESS: Sure, I can give you one quick

1 example and it had to do with the Chairman noted earlier
2 on the policy that was recently adopted for the
3 recording. Immediately we got -- we have the person who
4 runs the CSDC also has all of the coordinators under his
5 I'd say command, but his direction.

6 We got them all together and we had folks on
7 there. We explained the policy. We explained the
8 concerns, and then we articulated what the policy would
9 be, even before it was issued, so that is a classic
10 example of how we got the word out to all those folks
11 involved in the coordination of that.

12 Q So you have coordinators for community
13 meetings separate from the people in the districts?

14 A Just continuance coordinators that help all
15 the members of the district to make sure that this
16 process is followed.

17 CHAIRMAN GOLDWAY: So what happens when, for
18 instance, you get feedback that the community meeting was
19 held and only three people attended and there were
20 concerns about it. Do you go to training or do you
21 decide to reopen the hearing? When you have problems,
22 one thing is to train for the future. The other is to
23 correct the problem that may have surfaced. What's your
24 method for correcting the problem?

25 THE WITNESS: Again, some of that policy goes

1 to the guy who runs the CSDC. He has those -- there's no
2 set schedule for those but he does have a go-around at
3 the end, and if he has a common theme that comes up,
4 he'll discuss it with either myself and/or Dean Granholm,
5 because he also reports to Dean, and then we establish
6 what the corrected action might or should be, and then at
7 the next telecon or gathering, we would disseminate that
8 information.

9 CHAIRMAN GOLDWAY: But I understand the
10 postmasters and supervisors who oversee the CSDC are on a
11 very strict time schedule to review all 3600 by a certain
12 date, so you have certain ones that you have to do. Do
13 you have any lax in that schedule, so you can roll
14 something that was schedule to be decided one trench and
15 move it to the second trench, if there are problems with
16 it?

17 THE WITNESS: Actually, Madam Chairman, if
18 you recall, we said we were on a ten-week rolling basis
19 for the 3600, that ten weeks from the July date has come
20 and gone. We have about ten percent that still have not
21 initiated a study yet, so I guess to your question, have
22 we been lax with that? Well, yes, we have. I mean, some
23 of that has slipped from our guideline or from our plan,
24 and you know, nobody is getting beat over the head for
25 that or anything like that. It's, you know, we --

1 CHAIRMAN GOLDWAY: Have some moved from the
2 first trench to the second trench? They probably are
3 completed already, but do you have any where you've
4 actually had to -- you had them scheduled to decide on
5 one day but because of problems, you delayed the
6 decision?

7 THE WITNESS: Oh, I think that's happening
8 all the time, yes. Yes.

9 BY COMMISSIONER TAUB:

10 Q Following up on this point that we were
11 discussing, the Chairman had indicated, as well, some
12 interest on the training when we've identified problems
13 here at the Postal Service, whether it's training, re-
14 looking at the process.

15 Finishing up on Page 16, the next to last
16 sentence is highlighting of a few isolated incidents.
17 Given the volume of concerns and comments that you have,
18 and I'm thinking here of, as you said, prominently the
19 concerns with compliance with 101 on the community
20 meetings, I'm trying to get a sense of the scale and
21 scope of these problems and concerns and what might lead
22 you to the conclusion that they're isolated versus a
23 systemic problem possibly with the process.

24 THE WITNESS: Well, I think from the
25 testimony you've seen from some of my personal knowledge,

1 and I'm just giving you a general ball park, we've
2 conducted, I believe, somewhere in the neighborhood of
3 twenty-seven, twenty-eight hundred community meetings so
4 far. I don't know of 280, which would be ten percent,
5 that have been a problem, so it's probably less than have
6 of that, so --

7 COMMISSIONER TAUB: Yes.

8 THE WITNESS: So in a scope of things, maybe
9 five percent that have come to my attention, if you will,
10 and I think that's even a very high number.

11 COMMISSIONER TAUB: That's helpful. Thank
12 you.

13 THE WITNESS: Just to give you a sense of the
14 scale.

15 COMMISSIONER TAUB: Yes, and I had some
16 questions but I think our previous folks were asking them
17 on your Page 4 of your testimony, Lines 12 through 14 on
18 the times the handbook, giving an example such as
19 weekends or evenings. As you note there, could
20 reschedule at more convenient times, if you receive
21 information -- just to make sure I'm understanding, are
22 you referencing in the Postal handbook, Page 16, 251.2,
23 where it's notifying customers the date and time at least
24 five to seven days in advance? Is it after that notice
25 goes out, that's when these decisions are being made, or

1 there's some other factors that are being brought in, if
2 they decide to reschedule?

3 THE WITNESS: There may be another fact -- I
4 mean, the venue that they chose to have it might change.
5 I mean, that possibility exists. We might have to change
6 it just for that reason, as well, but yes, this would be
7 the notice.

8 COMMISSIONER TAUB: Great. I have one last
9 question. It goes to the -- obviously the focus of your
10 testimony today and really leading into on Page 1 and
11 from there, is this context of the P.O. Handbook 101,
12 which forms the basis of the discontinuance studies.
13 This obviously is where the rubber hits the road, if you
14 will.

15 As we've heard on the record, the overall
16 optimization effort was kind of a nomination process, and
17 then we moved to the discontinuation process, where we
18 find out ultimately whether, you know, it's zero to the
19 3600 that are going to be closed. How, from your
20 perspective, given kind of the beans on your nose, you're
21 the point person on it, would you describe how this is an
22 optimization effort?

23 We've heard concerns that is the Postal
24 Service really looking at this holistically from an
25 optimization of efficiency? There's been suggestions of

1 did they look at demographic data? Did they look at
2 distance?

3 If the rubber is hitting the road on the P.O.
4 101 Handbook, which has been the focus of our discussion
5 this morning, can you give a sense of how that relates to
6 a larger optimization effort?

7 THE WITNESS: Yes, I think I can. I
8 reference back to some of the criteria that we used when
9 establishing the list to begin with, to your point about
10 efficiency. About 2800 of these offices earned less than
11 two hours of workload, but yet the smallest level
12 postmaster I'm paying, I'm paying for two hours worth of
13 work, so if I have in a hypothetical one hour worth of
14 work, I'm paying two. So from an efficiency perspective
15 that's why they hit his list.

16 Also, we're looking at those offices where it
17 has been determined through transactions that these are
18 low activity offices, so in terms of optimizing, would it
19 be wise, if feasible, to move these low activity offices
20 and consolidate that with an office maybe down the road
21 that has more activity and we can consolidate and improve
22 efficiencies there.

23 The other two main categories for the
24 stations and branches and what we call the retail
25 annexes, if you recall from this initiative, they had

1 other criteria, such as alternate access. These tended
2 to be more in the suburban and urban areas but the
3 criteria for the retail annex was such that you had five
4 alternate access points, which could be another post
5 office, within a half a mile, and when I think about that
6 statistic, I think about the options that those customers
7 have that they could easily shift to and still get their
8 products and services.

9 I was postmaster -- I know you weren't here
10 for my first testimony.

11 COMMISSIONER TAUB: Yes.

12 THE WITNESS: A lot of those retail annexes,
13 at least I will speak from my experience as a
14 postmaster -- I had a retail annex. We developed it as
15 the need increased for the customers. That has now
16 reversed. And it's time to go back and revisit that. Do
17 I still need that retail annex?

18 And the other thing that's changed over the
19 years is, of course, the increase in alternate access.
20 So there's where I see optimization.

21 The sections and branches piece to this,
22 \$600,000 or less a year with five or more access points
23 within a two-mile radius. Again, optimization. There's
24 a lot of alternate access out there for customers to use.
25 So I hope I've answered your question.

1 COMMISSIONER TAUB: Yes. Thank you very
2 much, and thank you, the indulgence of my fellow
3 commissioners.

4 CHAIRMAN GOLDWAY: I think you've answered
5 the question as to why to look at reducing the network.
6 I'm not sure you've explained how you optimize those
7 decisions. Perhaps you're doing that in this review
8 process.

9 There were 2800 community meetings. One of
10 my questions to you is, since we have a workload problem,
11 as well, and you did them in trenches, how many of those
12 2800 are you filing for discontinuance and when, so we
13 know what we can expect in terms of appeals?

14 We've already got over 30 appeals that came
15 in just in the month of October and those are from the
16 previous decisions. We have a statement from Postmaster
17 General Donahoe in a letter to Senator McCaskill saying
18 that of the 3600 post offices, 177 post offices have been
19 taken off the list. That's six percent maybe, seven
20 percent.

21 THE WITNESS: Roughly, yes.

22 CHAIRMAN GOLDWAY: So can we assume that of
23 the 2800 that you've reviewed that only six percent are
24 taken off the list?

25 THE WITNESS: I think it's premature. What I

1 said was about 2800 had community meetings. They haven't
2 completely --

3 CHAIRMAN GOLDWAY: Okay. So of the ones that
4 you've completed the process, what percent or how many do
5 you think we're going to get on this trench basis? I'm
6 interested in getting the number of how many you've
7 posted for discontinuance as of October 28th and November
8 4th and et cetera, so we can know what to expect. Will
9 you have that number?

10 THE WITNESS: They won't all be done, because
11 as I just answered in a previous question, some of them
12 haven't even started yet, about ten percent haven't.

13 CHAIRMAN GOLDWAY: You said 2800 --

14 THE WITNESS: Community meetings haven't --

15 CHAIRMAN GOLDWAY: And they're all on a
16 rotating basis, or a rolling basis?

17 THE WITNESS: Correct. Correct.

18 CHAIRMAN GOLDWAY: So a certain number, one
19 has to assume, let's say 360, have completed the process,
20 as of October 28th?

21 THE WITNESS: Roughly, yes.

22 CHAIRMAN GOLDWAY: So some number of them are
23 going to have a letter posted on their door and notice
24 given to customers that this office is being closed?

25 THE WITNESS: I can give you a snapshot in

1 time based on a date. I think it's premature to give you
2 a forecast of how this will end.

3 CHAIRMAN GOLDWAY: That would be -- if we
4 could get a snapshot weekly, of what's been posted so
5 that we know --

6 THE WITNESS: Okay, I think that's a
7 deliverable that we can achieve.

8 CHAIRMAN GOLDWAY: Okay, great. I have more
9 questions but I know that Vice Chairman Acton does, so I
10 want to --

11 VICE CHAIRMAN ACTON: I don't really have a
12 question, Madam Chairman, but Chairman Goldway's emphasis
13 here, Witness Boldt, with respect to the request she's
14 making for this information about how this is unfolding,
15 is helpful for us because we're facing an administrative
16 challenge here in terms of dealing with the appeals, and
17 we're in the midst of developing a comprehensive approach
18 toward making sure that that gets done appropriately, and
19 any additional information you provide in keeping with
20 the Chairman's request will be very helpful for us.

21 THE WITNESS: Okay.

22 VICE CHAIRMAN ACTON: Thank you.

23 THE WITNESS: Thank you.

24 CHAIRMAN GOLDWAY: I have a couple more
25 questions. One goes back to the issue we've been talking

1 about with you that relates directly to your testimony,
2 and that is I know that we have yet to see appeals based
3 on the decisions that are being made under the current
4 POM, but we have, as Vice Chairman Acton noted, already
5 experienced a huge increase in workload, based on
6 decisions you made under the old POM, which with regard
7 to post offices isn't all the different from what it was
8 before, and we have many people in the appeals process
9 who are complaining about the fact that the community
10 meetings were held at inappropriate times, that notes
11 weren't taken, that the leadership of the Postal Service
12 seemed to indicate that the decision had already been
13 made, and that written responses to issues that were
14 raised in those community meetings were pro forma and did
15 not really address the issues.

16 How is it that the perception of those people
17 who attended those meetings and came to us, now albeit
18 they may not be the majority of people, but they're a
19 significant number. How is it that their perception is
20 so different from yours?

21 THE WITNESS: Well, I don't know that I can -
22 - well, I certainly have to take note when I have even
23 five percent. If there's a five-percent problem out
24 there, it would certainly be my job to look for ways to
25 reduce that, clear up, if there is misunderstanding, or

1 if information needs to be shared differently, so that
2 the perception is different, that we are answering their
3 questions, that the decision hasn't been made, before we
4 have the community meetings.

5 I think that's part of what this initiative
6 was designed to yield some of those learnings, and to
7 make and improve our processes as we move forward.

8 CHAIRMAN GOLDWAY: I appreciate that. I
9 think that's a very positive response. Thank you.

10 Let me just ask you a couple of other
11 questions. You are responsible for the POM, and I just
12 want to make it clear that the Postal Service just the
13 other day issued final regulations to be incorporated to
14 the POM, with regard to changing definition of post
15 office consolidations, which is something that the Postal
16 Regulatory Commission was concerned about when you first
17 issued those regulations.

18 So is it your understanding now that the POM
19 will include that provision and going forward you will
20 begin to focus on post offices that could change into
21 stations and branches?

22 THE WITNESS: Yes.

23 CHAIRMAN GOLDWAY: So that is now part of the
24 RAO process that when we look at the POM in terms of
25 developing an advisory opinion, we should consider that

1 that is also -- those new regulations that were completed
2 in the last week are part of the process?

3 MR. TIDWELL: Madam Chairman, just for
4 clarity sake, the RAO initiative is defined -- that was
5 defined at the outset of this proceeding to include the
6 3650 facilities that were identified using the criteria
7 described in the request, and then Witness Boldt's
8 testimony, any discontinuance activity outside of those
9 parameters is not part of this initiative.

10 CHAIRMAN GOLDWAY: Well, but you submitted
11 the POM as the way in which you're going to proceed with
12 the discontinuance process.

13 MR. TIDWELL: P.O. 101 is used in this
14 initiative. It's used with respect to discontinuance
15 outside the scope of this initiative.

16 CHAIRMAN GOLDWAY: So okay, but it is part of
17 this initiative?

18 MR. TIDWELL: No, Madam Chairman. The P.O.
19 101 changes are part of -- the P.O. 101 is a tool used in
20 this initiative. The P.O. 101 has a life outside of this
21 initiative. This initiative --

22 CHAIRMAN GOLDWAY: As well?

23 MR. TIDWELL: It has a life outside of this
24 particular initiative, and it may result in
25 discontinuance activity of a different type, of a

1 different nature down the road that is not presently
2 before the Commission.

3 CHAIRMAN GOLDWAY: The discontinuances that
4 we're dealing with now do not relate to that provision
5 that has just been adopted, is what you're telling me?

6 MR. TIDWELL: The discontinuances that are
7 currently the 3650 are not subject to any changes that
8 the Madam Chairman just referenced.

9 CHAIRMAN GOLDWAY: That's a useful
10 clarification. Then the other question is in a response
11 to POIR-1, I believe, Questions 11 and 12, I asked about
12 village post office closings, and you said it was
13 premature, but there is an article in the Linn's Stamp
14 News of October 24th, which says that you now have four
15 village post offices in operation and that there are
16 seven in the final stages and 15 more in the negotiation
17 process?

18 THE WITNESS: That sounds approximately
19 right. I look at my watch, because I think it's only
20 three. I think the fourth one's grand opening is about
21 an hour from now. The other numbers that you cite sound
22 about right.

23 I also note that there's about 400 -- we have
24 received information about 400 locations that have
25 responded to our website, where we've placed it on

1 USPS.com, where those businesses that might have an
2 interest in becoming a VPO could go in and request
3 information on how to become a VPO. But I believe --

4 CHAIRMAN GOLDWAY: Are you using this
5 information about village post offices to determine
6 alternative access in the discontinuance process?

7 THE WITNESS: I think the village post office
8 is one avenue that we have when we're considering
9 discontinuing a post office. If we have that as an
10 avenue to explore, yes, we are using that.

11 CHAIRMAN GOLDWAY: Is there information on
12 the locations of these that are in the works or possibly
13 in the works that you could share with us so that we
14 could see how they relate to access? Is that readily
15 available?

16 MR. TIDWELL: Is Madam Chairman requesting
17 the locations of the existing VPO's?

18 CHAIRMAN GOLDWAY: Well, I'd like the
19 existing and perhaps the indication of the ones they're
20 considering using, so that we get a pattern of what
21 possible alternative access is available.

22 MR. TIDWELL: Well, Madam Chair, I think that
23 could be problematic, because there may be any number of
24 scenarios where contracts are being negotiated and if we
25 begin to disclose or divulge locations and vendors --

1 CHAIRMAN GOLDWAY: I understand.

2 MR. TIDWELL: -- it could upset that process.

3 CHAIRMAN GOLDWAY: Okay. So even when we say
4 seven in the final contract stages, you'd be reluctant to
5 give the locations of those?

6 MR. TIDWELL: We probably in all likelihood
7 would. I mean, Linn's -- I don't know the source of
8 Linn's information.

9 CHAIRMAN GOLDWAY: USPS Spokeswoman Sue
10 Brennan, fairly reliable spokesperson, I would think.
11 She didn't give the locations but I was just -- since we
12 were considering access substitutions, I was wondering
13 whether we --

14 MR. TIDWELL: Ms. Brennan --

15 THE COURT: -- could get more information.

16 MR. TIDWELL: That may or may not be
17 appropriate. We'll chat with Ms. Brennan when we get
18 back to headquarters.

19 CHAIRMAN GOLDWAY: Great, thank you. Okay.
20 I think that concludes my questions for you.

21 VICE CHAIRMAN ACTON: One follow-up, please,
22 Madam Chair. You may have answered this, Mr. Boldt. In
23 an hour's time, how many existing village post offices
24 will there be?

25 THE WITNESS: There will be four. She had

1 the number that four were in existence today.

2 VICE CHAIRMAN ACTON: Where are the four?

3 THE WITNESS: There's the one in Malone,
4 Washington. There are two in Michigan and the one that's
5 about an hour time away is in Star Tannery, Virginia.

6 VICE CHAIRMAN ACTON: About an hour away in
7 Virginia?

8 THE WITNESS: An hour away from the grand
9 opening. I think the drive is a little bit more than an
10 hour away. I was going to try and be there today but
11 that's not going to happen.

12 VICE CHAIRMAN ACTON: I was hoping we'd have
13 one nearby. Have you visited one personally?

14 THE WITNESS: No. Again, I wanted to be at
15 the Star Tannery, because I think it's -- I think it's
16 two, three-hour drive from here. I had hoped to be there
17 but I wanted to be here with you today, sir.

18 CHAIRMAN GOLDWAY: It's an hour away from
19 opening?

20 THE WITNESS: Yes. Yes, the grand opening is
21 at one o'clock this afternoon, Eastern Time.

22 VICE CHAIRMAN ACTON: Commissioner Langley
23 mentioned this, but the panel has taken note of your
24 presence in each and every hour of these proceedings here
25 in the public arena, and we appreciate your diligence and

1 commitment toward managing this initiating on behalf of
2 the Postal Service.

3 THE WITNESS: Thank you very much.

4 CHAIRMAN GOLDWAY: I see Mr. Brinkmann has
5 one question, and then we'll break for --

6 CROSS-EXAMINATION

7 BY MR. BRINKMANN:

8 Q If I could have one brief question. Assuming
9 a given area, several post offices are closed, I mean, a
10 fairly large area and they're replaced by village post
11 offices, do you have any plans to do some sort of
12 financial analysis about the income of a village post
13 office versus the income of the post office that was
14 there before, in order to determine how much money you've
15 lost by closing that post office? Now, I realize there
16 may be other alternative access and post offices around
17 there too, where people drive somewhere, but that could
18 be factored in.

19 A I think that's something that should be
20 considered in the learnings from what we learn here, and
21 also -- well, I think I have a pretty good handle on the
22 finances. One thing that perplexes me is in doing an
23 analysis such as that is obviously you have to take into
24 account what unfortunately is a continuing decline, as
25 well, a general decline. So how do I offset that with

1 some of the other options? So that's why I have finance
2 folks to help me with that.

3 Q The thought I was getting at, I mean, a
4 village post office is going to provide a lot less
5 services than a normal post office, and one would think
6 that that would reflect, be reflective, although maybe
7 not, in the revenue. And as for the point you made about
8 a general trend, you could always key that off of the
9 general trends in the rest of the country. Clearly, it
10 would seem to me at some point when the economy gets
11 better, you know, the mail is going to start to get
12 better. It's just kind of inevitable.

13 A I hope for that.

14 Q So if these were continuing to go down,
15 whereas the rest of things started to take off, wouldn't
16 that be an indicator that you might be netting out as a
17 loss in those areas?

18 A The only thing to your comment or your
19 statement that I think I could define a little bit closer
20 is you said a national general trend. I think in those
21 instances we'd probably get it down a little bit finer
22 than that.

23 MR. BRINKMANN: Right, I understand. That's
24 really my only question, Madam Chairman.

25 CHAIRMAN GOLDWAY: Okay. Go ahead, very

1 short. I apologize.

2 MS. FERGUSON: Tracy Ferguson for public
3 representative.

4 CROSS-EXAMINATION

5 BY MS. FERGUSON:

6 Q When you mentioned low activity for these
7 RAOI identified offices, do you mean deficit, operating
8 at a deficit?

9 A Low activity based on the workload.

10 Q Okay. In terms of optimization, the Chairman
11 mentioned that you had articulated what you look at to
12 optimize. Can you tell us what you believe the RAOI is
13 actually optimizing?

14 A I believe it's optimizing our retail network,
15 where we need retail facilities, where we may not.

16 Q It's optimizing where you need them,
17 locations?

18 A Well, the locations were identified based on
19 the criteria there, and the where comes from the
20 subsequent studies. As we've noted and have provided
21 information, we found that some of these locations there
22 were alternates were 50, 100 miles, 200 miles away. We
23 kept those. Obviously that location needs to be there,
24 but where we consolidate and optimize our retail network,
25 that's what were doing.

1 MS. FERGUSON: No further questions.

2 CHAIRMAN GOLDWAY: Commission Langley asked
3 to say something.

4 COMMISSIONER LANGLEY: I just have one
5 suggestion, that when a VPO is opened to make sure that
6 it is part of the record, the administrative record, as
7 we're looking at post office appeals, because it would be
8 helpful to know if a VPO is opened.

9 THE WITNESS: I hear you. I'm thinking of
10 the time table. Given the appeal process, the VPO may
11 not be opened in time for you to consider that during the
12 appeal.

13 COMMISSIONER LANGLEY: You mentioned a
14 particular VPO being opened in an hour.

15 THE WITNESS: Yes.

16 COMMISSIONER LANGLEY: And that particular
17 facility is under appeal right now.

18 THE WITNESS: Yes. In that case, yes.

19 COMMISSIONER LANGLEY: So, therefore, it
20 would be --

21 THE WITNESS: But I think if one just
22 started, let's say at the final determination, it may not
23 be up and running.

24 COMMISSIONER LANGLEY: I understand but as
25 we're going along.

1 THE WITNESS: Okay.

2 COMMISSIONER LANGLEY: Thank you.

3 CHAIRMAN GOLDWAY: Anything else from the
4 Commissioners? Would you like to have time for
5 surrebuttal?

6 MR. TIDWELL: No, Madam Chairman, I think
7 that we are at a point where as much as I would like to
8 see Witness Boldt across the room from me at the witness
9 stand, I will let him know that I won't extend his
10 appearance any longer with any redirect.

11 I would like, however, to take this occasion
12 to make an observation. We opened today's proceeding by
13 paying appropriate respect to a member of the Postal Bar
14 who many of us regarding as the dean of the Postal Bar,
15 Tim May. It seems also, and it's unfortunate that we
16 lost him very recently. The Postal Bar also lost a
17 member, but in a more happier setting. Our colleague,
18 Eric Ketting, retired blissfully a month ago, and Eric
19 Ketting has been to many of us a very -- a standard
20 bearer in terms of representation of the Postal Service
21 and in working with the Commission through this process
22 and on many issues over the last 30 years. We can leave
23 it different ways, and Mr. Ketting has left us a very
24 happy soul, despite his many years at the Commission,
25 which gives the rest of us hope, and I simply wanted to

1 take advantage of the opportunity to acknowledge that on
2 the record today.

3 CHAIRMAN GOLDWAY: Well, I'm happy to have
4 you able to note that. We have an adversarial format in
5 these meetings but I think all of us respect one another
6 and outside of these meetings develop a friendship and
7 collegiality, because we all do care about the health and
8 the preservation of the Postal Service.

9 So, Mr. Boldt, I thank you for your
10 testimony.

11 THE WITNESS: Thank you.

12 CHAIRMAN GOLDWAY: And as Vice Chairman Actor
13 noted, your diligence in being here to hear all of it. I
14 hope it's useful to you. One of the complaints that I've
15 had about these proceedings is we rarely get people
16 involved in operations to hear the debate that goes on
17 here.

18 The attorneys hear it but not the people in
19 operations, and while some of these matters can't be
20 decided through our process, the issues that are raised
21 are often useful for operators to hear and I think from
22 your comments, you're willing to take some of these
23 concerns that have been raised back and we will certainly
24 make our efforts to give you some more precise written
25 direction, but just your consistent participation here is

1 noted and very much appreciated.

2 THE WITNESS: Thank you.

3 CHAIRMAN GOLDWAY: So, with that, I'll also
4 thank all of the members of the postal community and
5 Postal Bar who have been here, and conclude this long
6 process of public hearings, noting that we will consult
7 with postal counsel to determine if there is some
8 additional information that we might be able to get on
9 the record here before we close it.

10 Thank you very much. The hearing is
11 adjourned.

12 (Whereupon, at 12:10 p.m., the hearing in the
13 above-entitled matter was concluded.)

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REPORTER'S CERTIFICATE

DOCKET NO.: N2011-1

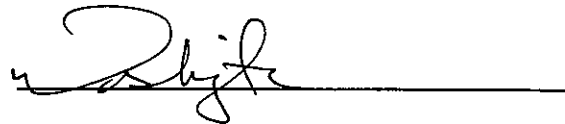
CASE TITLE: RETAIL ACCESS OPTIMIZATION INITIATIVE, 2011

HEARING DATE: 28 Oct 2011

LOCATION: Washington, DC

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before Postal Regulatory Commission.

Date: 28 October 2011



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